

**Bay City Public Schools  
Board of Education  
Official Proceedings  
Special Board Meeting  
May 10, 2017**

**CALL TO ORDER**

President Zanotti called the Special Board Meeting of the Bay City Public Schools Board of Education to order on Wednesday, May 10, 2017, at 5:37 p.m. in the boardroom of the Administration Building, 910 N. Walnut Street, Bay City, MI. The purpose of the special meeting was to receive a presentation from the Bay-Arenac ISD on their 2017-18 budget and to discuss a May 1, 2017 State Treasury communication concerning potential fiscal stress.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Trustee Rademacher and recited by all present.

**ROLL CALL**

Those present were President Zanotti and Trustees Bauer, Jeske, Rademacher and Sepeda.

Excused: Vice President Baird and Trustee Helmling

**CHANGES TO AGENDA** - None

**PRESENTATION**

Bay-Arenac ISD Superintendent, Deb Kadish, and Finance Director, Jolene Compton, were present to share the Bay-Arenac ISD preliminary 2017-18 budget with the Board. Their presentation focused on services and programs supporting our District, including Great Start Readiness Program (preschool), special education, professional development and career and technical education (Career Center), among others. (Narrative: Attachment A)

**FIRST CALL TO AUDIENCE** - None

**APPROVAL OF AGENDA**

**Trustee Sepeda made the motion, supported by Trustee Rademacher, to approve the agenda as presented. Approved unanimously (5-0).**

**AGENDA**

**RESOLUTION TO SUPPORT OR DISAPPROVAL OF ISD BUDGET**

Section 624 of the Revised School Code requires an annual review of the ISD proposed budget by each local school district and subsequent adoption of a resolution in support or disapproval of that budget no later than June 1. The proposed ISD budget was presented earlier in the agenda.

**Trustee Rademacher made the motion, supported by Trustee Sepeda, to support the Bay-Arenac ISD 2017-18 preliminary budget. Approved unanimously (5-0).**

#### MARKETING CONTRACT – NATIONAL CINEMEDIA (NCM)

The Board was presented information related to an advertising agreement with NCM that rotates two District testimonial ads in the local Bay City 10 Theatre complex. The next flight of ads is scheduled to begin on June 2, 2017 for a 13 week period (Summer 2017). Another is scheduled for a 13 week period (Winter of 2017).

**Trustee Rademacher made the motion, supported by Trustee Sepeda, to put the current agreements with NCM on hold. Motion passed 5-0.**

#### BUDGET DISCUSSION AND PLANNING

The Board of Education held discussion related to the need to submit a response to the Michigan Department of Treasury by May 12, 2017, related to a State Treasury letter concerning potential fiscal stress for the District. (Attachment B)

The Board shared their thoughts and ideas of how to make adjustments to the budget in response to the Department of Treasury in working toward a 5% fund balance.

The Board consensus was to work on a three-year budget reduction plan with a goal of a one million dollar reduction in the first year. Due to contractual language with deadlines having passed for notice of separation from employment, any consideration of administrative layoffs could only be considered for the 2018-19 fiscal year, not the upcoming 2017-18 fiscal year. Additional contractual obligations would need to be considered as well possible reductions through attrition. As a consensus, the Board settled on including the following items as a corrective action plan submission to the Department of Treasury for the 2017-18 fiscal year:

- An increase of 33 students from the anticipated loss of 100 student enrollments for next year (an anticipated net loss of 67 students rather than the previously preliminary budget of a 100 student loss) for an estimated savings of \$250,000
- Non-replacement of five teachers for an approximate savings of \$400,000
- The potential sale of two buildings, McKinley Center, which was vacated mid-year 2016-17; and the Wenona Street building, which has been on the market for some time without an offer of purchase (dollar amount unknown)
- Non-replacement of an administrative retirement (assistant principal) for an approximate savings of \$130,000
- Postponing the purchase of one out of two budgeted school bus purchases for an approximate savings of \$80,000
- Non-replacement of one central office position for an approximate savings of \$100,000
- The creation of a board budget committee that will plan to work with the new superintendent, who will be in place by July 1

## **SECOND CALL TO AUDIENCE**

- Rick Meeth, President of the Bay City Education Association, 1483 S. Valley Center Dr., Bay City, addressed the Board related to contractual language that entitles bargaining units to receive financial updates before decisions are made and encouraged union input. He would like to meet with the Board prior to the 2017-18 Budget Hearing on June 12, 2017.
- Ethel Miller, Office Associate at Auburn Elementary and McAlear-Sawden Elementary, addressed the Board related to a suggestion to consider redrawing the border lines between Auburn Elementary and McAlear-Sawden Elementary to direct more students to McAlear-Sawden Elementary and open spaces at Auburn Elementary for out-of-district School of Choice requests.

The Superintendent shared that this redistricting idea had previously been considered, but no action taken. If redistricting were implemented, it should include consideration of a “grandfathering” option for current families and siblings.

## **ADJOURNMENT**

The Special Meeting adjourned at 8:59 p.m.

Respectfully submitted:

Lorraine A. Jeske, Secretary  
LAJ/smg