

**PROCEEDINGS  
OF  
THE BOARD OF EDUCATION  
OF THE  
GRAND RAPIDS PUBLIC SCHOOLS  
GRAND RAPIDS, MICHIGAN**

**OFFICIAL**

**SPECIAL BOARD MEETING/WORKSESSION/CLOSED  
ROOM 101, REV. LYMAN S. PARKS ADMINISTRATION BUILDING  
1331 FRANKLIN, SE**

**MONDAY, JUNE 5, 2017**

Meeting called to order at 4:30 p.m. by President Falb.

Present: Schottke, Slade, Baker, Flores, Grant, Lewis, Matias, President Falb – 8

Absent: Ross - 1

**APPROVAL OF AGENDA**

President Falb asked if there were any corrections/additions to the agenda. There being none, the agenda is approved as written.

Carried.

**PUBLIC COMMENT**

None

## **SPECIAL ORDER OF BUSINESS**

### **Budget Amendment II Review**

Mr. Larry Oberst presented Amendment II of the Grand Rapids Public School budget. This includes the general operating fund, special revenue fund and debt retirement fund. An audit was completed about two weeks ago and adjustments were made accordingly. After the review the following motions were made to approve Amendment II:

### **General Operating Fund**

Motion by Ms. Downes Lewis, supported by Ms. Slade, that the General Operating Fund be approved.

Carried. Yeas: Schottke, Slade, Baker, Flores, Grant. Lewis, Matias, President Falb – 8.

Nays: - 0.

### **Special Revenue Fund**

Motion by Ms. Slade, supported by Ms. Downes Lewis, that the Special Revenue Budget be approved.

Carried. Yeas: Schottke, Slade, Baker, Flores, Grant. Lewis, Matias, President Falb – 8.

Nays: - 0.

### **Debt Retirement Fund**

Motion by Ms. Grant, supported by Ms. Slade, that the Debt Retirement Fund be approved.

Carried. Yeas: Schottke, Slade, Baker, Flores, Grant. Lewis, Matias, President Falb – 8.

Nays: - 0.

The following are the resolutions and budget detail for Amendment II:

## **AMENDMENT TO GENERAL APPROPRIATIONS**

Resolution for Adoption by the Board of Education of

Grand Rapids Public Schools

### **GENERAL OPERATING FUND**

RESOLVED, that this resolution shall be the general appropriations of the Grand Rapids Public Schools for the fiscal year 2016-2017: a resolution to make appropriations; to provide for the expenditures of the appropriations; and to provide for the disposition of all income received by the Grand Rapids Public Schools.

BE IT FURTHER RESOLVED, that no Board of Education member or employees of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED, that the total available to appropriate in the General Fund is hereby appropriated in the amounts and for the purposes set forth as per page 1 of Exhibit A attached.

BE IT FURTHER RESOLVED, that the general appropriation for the Grand Rapids Public Schools for the fiscal year 2016-2017 is amended as per page 2 of Exhibit A attached.

This amended resolution is to take effect on June 5, 2017.

Ayes:           Members           \_\_\_\_\_

Nays:           Members           \_\_\_\_\_

Motion declared ADOPTED

\_\_\_\_\_  
Secretary, Board of Education  
Grand Rapids Public Schools

**CERTIFICATE OF SECRETARY**

I, the undersigned, being the duly qualified and acting Secretary of the Board of Education of the Grand Rapids Public Schools, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Education of the Grand Rapids Public Schools, of Kent County, Michigan at a regular meeting held on the 5th day of June 2017, the original of which is on file in my office, and that public notice of said meeting was given pursuant to and in full compliance with Act 267, Public Acts of Michigan, 1976.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
Secretary, Board of Education  
Grand Rapids Public Schools

**General Operating Fund**

|   | <b>2016 - 17<br/>Amended Budget</b> | <b>2016 - 17<br/>Amended Budget<br/>Two</b> | <b>2016 - 17<br/>Amended Budget</b> |
|---|-------------------------------------|---|-------------------------------------|
| <b>Revenues</b>                           |                                     |   |                                     |
| Local sources                             | 54,270,783                          | -30,014                                     | 51,240,769                          |
| State:                                    |                                     |   |                                     |
| Restricted                                | 41,140,965                          | -1,206,293                                  | 39,934,672                          |
| Unrestricted                              | 83,761,000                          | -530,000                                    | 83,231,000                          |
| Federal:                                  |                                     |   |                                     |
| Restricted                                | 24,054,172                          | 1,733,603                                   | 25,787,775                          |
| Unrestricted                              | 40,000                              |   | 40,000                              |
| Total Revenue                             | 203,266,920                         | -32,704                                     | 203,234,216                         |
| <br>Other financing sources:              |                                     |   |                                     |
| Operating transfers in                    | 2,851,549                           | -329,135                                    | 2,522,414                           |
| Total revenue and other financing sources |                                     |   |                                     |
| <br>Fund balance, July 1                  | 15,255,684                          |   | 15,255,684                          |
| <br>Total available to appropriate        | 221,374,153                         | -361,839                                    | 221,012,314                         |
| <br><b>Expenditures</b>                   |                                     |   |                                     |
| Instruction:                              |                                     |   |                                     |
| Basic programs                            | 80,417,162                          | -1,862,781                                  | 78,554,381                          |

|  |                                     |   |                                     |
|--|-------------------------------------|---|-------------------------------------|
| Added needs                              | 27,169,790                          | 1,489,660                                   | 28,659,450                          |
| Adult & continuing education             | 914,947                             | -60   | 914,887                             |
| Total Instruction                        | 108,501,899                         | -373,181                                    | 108,128,718                         |
| Support services:                        |                                     |   |                                     |
| Pupil support services                   | 19,390,967                          | 106,397                                     | 19,497,364                          |
| Instructional staff support              | 12,524,694                          | 248,072                                     | 12,772,766                          |
| General administration                   | 2,318,812                           | -18,209                                     | 2,300,603                           |
| School administration                    | 12,771,359                          | 213,554                                     | 12,984,913                          |
| Fiscal services                          | 4,296,946                           | -112,134                                    | 4,184,812                           |
| Operations and Maintenance               | 20,561,261                          | -300,669                                    | 20,260,592                          |
| Pupil transportation                     | 12,528,131                          | 69,648                                      | 12,597,779                          |
| Staff and personnel services             | 11,114,035                          | -228,390                                    | 10,885,645                          |
| Student activities                       | 1,494,150                           | 121,500                                     | 1,615,650                           |
| Total support services                   | 97,000,355                          | 99,769                                      | 97,100,124                          |
| Community services                       | 1,310,365                           | -27,384                                     | 1,282,981                           |
| Facility acquisitions/bldg. improvements | 202,927                             | 15,832                                      | 218,759                             |
|  | <b>2016 - 17<br/>Amended Budget</b> | <b>2016 - 17<br/>Amended Budget<br/>Two</b> | <b>2016 - 17<br/>Amended Budget</b> |
| Total expenditures                       | 207,015,546                         | -284,964                                    | 206,730,582                         |
| Other financing services:                |                                     |   |                                     |
| Operating transfers out                  | 2,265,000                           | 45,495                                      | 2,310,495                           |
| Total appropriations                     | 209,280,546                         | -239,469                                    | 209,041,077                         |

**AMENDMENT TO GENERAL APPROPRIATION**

RESOLUTION FOR ADOPTION BY THE BOARD

OF EDUCATION OF Grand Rapids PUBLIC SCHOOLS

**SPECIAL REVENUE FUND**

RESOLVED, that this resolution shall be the general appropriation of the Grand Rapids Public Schools for the fiscal year 2016-2017: A resolution to make appropriations; to provide for the

expenditure of the appropriation; and to provide for disposition of all income received by Grand Rapids Public Schools.

BE IT FURTHER RESOLVED, that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED that the total revenue and unappropriated fund balance estimated to be available for appropriations in the Special Revenue Fund of the Grand Rapids Public Schools for fiscal year 2016-2017 is hereby appropriated in the amounts and for the purposes set forth per Exhibit A attached.

This appropriation resolution is to take effect on June 5, 2017.

AYES:           MEMBER

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NAYS:           MEMBER

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Motion declared ADOPTED.

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Secretary, Board of Education  
Grand Rapids Public Schools

**CERTIFICATE OF SECRETARY**

I, the undersigned, being the duly qualified and acting Secretary of the Board of Education of the Grand Rapids Public Schools, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Education of the Grand Rapids Public Schools, of Kent County, Michigan, at a regular meeting held on the 5th day of June 2017, the original of which is on file in my office, and that public notice of said meeting was given pursuant to and in full compliance with Act 267, Public Acts of Michigan, 1976.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Secretary, Board of Education  
Grand Rapids Public Schools

**Special Revenue Fund**

|                                 | <b>2016 - 17<br/>Amended Budget</b> | <b>2016 - 17<br/>Amended Budget<br/>Two</b> | <b>2016 - 17<br/>Amended Budget</b> |
|---------------------------------|-------------------------------------|---|-------------------------------------|
| <b>Expenditures</b>             |                                     |   |                                     |
| Special Education Center Prog.  | 35,370,575                          | -6,350                                      | 35,364,225                          |
| Food Service                    | 12,438,198                          | -279,858                                    | 12,158,340                          |
| Community Education             | 24,900                              | -17,600                                     | 7,300                               |
| GRASP                           | 436,750                             | 57,919                                      | 494,669                             |
| RIF                             | 25,000                              | 1,000                                       | 26,000                              |
| Houseman Field                  | 123,000                             | 12,605                                      | 135,605                             |
| Total Expenditures              | 48,418,423                          | -232,284                                    | 48,186,139                          |
| <br>                            |                                     |   |                                     |
| Outgoing Transfers              | 2,851,549                           | -329,135                                    | 2,522,414                           |
| <br>                            |                                     |   |                                     |
| Total Appropriated              | 51,269,972                          | -561,419                                    | 50,708,553                          |
| <br>                            |                                     |   |                                     |
| Excess Revenue (Appropriations) | -1,879,372                          | 998,144                                     | -881,228                            |
| Fund Balance July 1             | 5,912,415                           |   | 5,912,415                           |
| <br>                            |                                     |   |                                     |
| Fund Balance June 30            | 4,033,043                           | 998,144                                     | 5,031,187                           |
| <br>                            |                                     |   |                                     |
| <b>Revenue</b>                  |                                     |   |                                     |
| Local Sources                   | 25,279,610                          | -27,110                                     | 25,252,500                          |
| State Sources                   | 10,895,990                          | -31,660                                     | 10,864,330                          |

|   |            |         |            |
|---|------------|---------|------------|
| Federal Sources   | 10,950,000 | 450,000 | 11,400,000 |
| Total Revenue   | 47,125,600 | 391,230 | 47,516,830 |
| Incoming Transfers/Other Transactions                     | 2,265,000  | 45,495  | 2,310,495  |
| Total Revenues, Incoming Transfers and Other Transactions | 49,390,600 | 436,725 | 49,827,325 |

**AMENDMENT TO DEBT APPROPRIATIONS**

Resolution for Adoption by the Board of Education of

Grand Rapids Public Schools

**DEBT RETIREMENT FUND**

RESOLVED, that this resolution shall be the general appropriations of the Grand Rapids Public Schools for the fiscal year 2016-2017: a resolution to make appropriations; to provide for the expenditures of the appropriations; and to provide for the disposition of all income received by the Grand Rapids Public Schools.

BE IT FURTHER RESOLVED, that no Board of Education member or employees of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budget adopted by the Board and shall hold the department heads responsible for performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED, that the total available to appropriate in the Debt Retirement Fund is hereby appropriated in the amounts and for the purposes set forth as per Exhibit 1 attached.

BE IT FURTHER RESOLVED, that the general appropriation for the Grand Rapids Public Schools for the fiscal year 2016-2017 is listed per Exhibit 1 attached.

BE IT FURTHER RESOLVED, that the number of ad valorem mills to be levied for debt retirement purposes is 4.75 mills on the taxable value of all property.



This resolution is to take effect on June 5, 2017.

Ayes:           Members           \_\_\_\_\_

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Nays:           Members           \_\_\_\_\_

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Motion Declared ADOPTED

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Secretary, Board of Education  
Grand Rapids Public Schools

**CERTIFICATE OF SECRETARY**

I, the undersigned, being duly qualified and acting Secretary of the Board of Education of the Grand

Rapids Public Schools, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Education of the Grand Rapids Public Schools, of Kent County, Michigan at a regular meeting held on the 5th day of June 2017, the original of which is on file in my office, and that public notice of said meeting was given pursuant to and in full compliance with Act 267, Public Acts of Michigan, 1976.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
Secretary, Board of Education  
Grand Rapids Public Schools

## Debt Retirement Fund

|   | 2016 - 17<br>Amended Budget | 2016 - 17<br>Amended Budget<br>Two | 2016 - 17<br>Amended Budget |
|---|-----------------------------|------------------------------------|-----------------------------|
| <b>Revenue</b>                                  |                             |                                    |                             |
| Local sources:                                  |                             |                                    |                             |
| Property taxes                                  | 19,900,000                  | 75,000                             | 19,975,000                  |
| Investment income                               | 34,000                      | 3,000                              | 37,000                      |
| Total Revenue                                   | 19,934,000                  | 78,000                             | 20,012,000                  |
| <br>  |                             |                                    |                             |
| Other financing sources:                        |                             |                                    |                             |
| Proceeds from issuance of bonds                 |                             | 45,760,000                         | 45,760,000                  |
| Premium on issuance of bonds                    |                             | 6,833,340                          | 6,833,340                   |
| Operating transfers in                          | 573,435                     |                                    | 573,435                     |
| Total other financing sources                   | 573,435                     | 52,593,340                         | 53,166,775                  |
| <br>  |                             |                                    |                             |
| Total revenue/other financing sources           | 20,507,435                  | 52,671,340                         | 73,178,775                  |
| <br>  |                             |                                    |                             |
| <b>Expenditures</b>                             |                             |                                    |                             |
| Bond principal maturities                       | 10,910,000                  |                                    | 10,910,000                  |
| Interest on bonded debt                         | 8,401,785                   | -825,000                           | 7,576,785                   |
| Bond issuance costs                             |                             | 427,000                            | 427,000                     |
| Other   | 131,000                     | -88,000                            | 43,000                      |
| Total expenditures                              | 19,442,785                  | -486,000                           | 18,956,785                  |
| <br>  |                             |                                    |                             |
| Other financing uses                            |                             |                                    |                             |
| Payment to escrow agent                         |                             | 52,960,975                         | 52,960,975                  |
| <br>  |                             |                                    |                             |
| Total expense/other financing uses              | 19,442,785                  | 52,474,975                         | 71,917,760                  |
| <br>  |                             |                                    |                             |
| Revenue/other sources over (under) expenditures | 1,064,650                   | 196,365                            | 1,261,015                   |
| Fund balance beginning of year                  | 1,838,389                   |                                    | 1,838,389                   |
| <br>  |                             |                                    |                             |
| Fund balance at end of year                     | <b>2,903,039</b>            |                                    | 3,099,404                   |

## **2017 - 2018 Budget Review**

Mr. Oberst presented the 2017 – 2018 proposed budget to the Board. He shared that the state budget has not yet been approved due to the Michigan Public Schools Employee Retirement System (MPERS) disagreement at the State level. House and Senate are moving forward with the budget without the Governor. Federal budget is up in the air and do not know when that will be approved. We are leaving that part of our budget status quo.

Mr. Oberst shared the following major assumptions regarding the 17- 18 budget:

- Foundation allowance of \$7,611, up from \$7, 511
- Enrollment of 16, 926, increase of 53 over our spring count of 16, 873
- Enhancement millage estimated to be \$3 million /thanks to tax payers support
- Assumes full hard cap effective 7/1/17. Hard cap increase of 3.3%
- Compensation increases totaling approximately \$2.3 million District-Wide
- Includes opening of Ridgemoor Park and adding an additional grade at Museum Middle School and C.A. Frost Middle/High School
- Includes discontinuation of Adult Ed, Campus Daycare Program, Reading is Fundamental (RIF), and GED Testing Program

Superintendent shared that RIF would be new to the Board. We spent all the budget/carryover dollars associated with this program. The source of the funding ended a while ago. Mr. Oberst went through the general operating budget, special revenue budget and debt service budget. This included the revenue, expenditures and fund balance summary. All the information was in the packet for review with detailed budget information along with comparison information. At the end of 2017 – 2018 school year we expect to come out with a 5.72% fund balance. Other districts are just maintaining their fund balance as well. Only a couple districts are growing their fund balance due to growing enrollment. Compensation has been a problem with hiring in the district due to the budget. Dr. Flores raised a question as to whether we are targeting our dollars towards instruction and if we have looked at this historically. Mr. Oberst turned back to the budget to show where the bulk of our dollars are spent and that we have tried not to touch the classroom. Dr. Falb shared that according to a state chart we are on the high side with our instruction.

Dr. Flores wanted to know what strategic measures were used in creating this budget. Mr. Oberst shared that we looked at our core services area which is K – 12 education and eliminated some programs that do not align. We are looking at our service department more closely as well. Mr. Oberst has spoken to Spectrum Health to find out, for instance, what it should cost to clean a building. Spectrum has done this analysis for their business and has agreed to come help us figure out how to be cost efficient in this area. Dr. Falb felt that having no to minimal cuts and a compensation increase was great news. Superintendent Neal shared our fund balance is close and we will keep looking to build our fund balance and continue to watch this.

The public hearing regarding the budget will be held on Monday, June 19 at 6:00 p.m. Dr. Falb shared that we will look at adopting the budget at our next full Board meeting. This meeting is on Monday, June 19 at 6:30 p.m. following the public hearing.

Mr. Ross arrived at 5:30 p.m.

**Negotiations Update (Closed)**

Ms. Schottke read the Board into closed session for the purpose of strategy and negotiations session connected with the negotiations of various collective bargaining groups at the request of the Superintendent. This closed session is called pursuant to the Open Meetings Act, Section 8, Article C.

Motion by Ms. Schottke, supported by Rev. Matias, that the Board go into closed session for the purpose of negotiations update.

Carried. Yeas: Schottke, Slade, Baker, Flores, Grant. Lewis, Matias, Ross, President Falb – 9.

Nays: - 0.

Ms. Downes Lewis left the meeting at 5:46 p.m.

The Board reconvened into open session at 6:20 p.m.

**ADJOURNMENT**

The Board adjourned at 6:22 p.m.

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Secretary

/db