

# Board Special Meeting

John Stanford Center – Board Office Conference Room



## Audit & Finance Committee Meeting Minutes

Thursday, October 13, 2016  
4:30 – 6:30 pm

### Call to Order

Director Peters called the meeting to order at 4:31 pm. School Board members present were Directors Peters, Harris. Director Blanford arrived at 4:36.

### Approval of Agenda

Director Peters moved to approve the agenda. Director Harris seconded. The agenda was unanimously approved.

### Approval of Minutes

Director Peters called for a motion to approve the August 18, 2016 and September 8, 2016 meeting minutes and Director Harris seconded. The minutes were approved unanimously.

### Items Requiring Board Action

1. BAR: Grant from the Washington Schools Risk Management Pool (McEvoy)  
Assistant Superintendent of Operations Pegi McEvoy spoke about plans to use grant funds to provide enhanced security with intercom systems for some of our schools. Schools without direct line of site to the main office will be prioritized. Director Harris asked if this would include video systems. Ms. McEvoy stated that some of the systems have video but most do not. The focus is mainly for the intercom systems. Director Harris inquired how the analysis was made on who and how much product was received. Ms. McEvoy stated the different analyses that were used including working with Bruce Skowyra and Security. Director Harris asked if the assessments included the folks in the main office. Ms. McEvoy stated that it had. Director Harris asked Ms. McEvoy to include a Friday Memo about everything that was shared at the meeting including the extra funds needed to update more of our schools. Director Peters asked how soon the work would start once the grant was approved. Bruce Skowyra stated that they were ready to start immediately.  
**Action: Director Harris moved to move the item forward to the full Board with recommendation for approval. This motion passed unanimously.**
2. BAR: Collective Bargaining Agreement PNW Regional Council of Carpenters (Damas)  
Executive Director Labor & Employee Relations Stan Damas spoke about the tentative agreement that had been ratified by the carpenters. Mr. Damas spoke about the specific terms of the tentative agreement that was reached in August and ratified on August 26<sup>th</sup>. He also stated that the contract was calling for a pay increase to be effective on September 1<sup>st</sup> for 18 employees. The contract also included some clarifications of some contract provisions that had different interpretations in the past and now were unified. Mr. Damas also mentioned that the pay increase had already shown up on the October 1<sup>st</sup> warrant and gave further explanation of why it happened and stated it was an estimated \$12K. Mr. Damas asked for intro and action at the upcoming Board meeting. Director Harris asked how the money went out the door before the contract was ratified. Mr. Damas stated that there had been a miscommunication between Class & Compensation and his department. Director Harris stated concern for the Board having just passed the TRI resolution the night before. She asked what would be done differently to avoid this in the future. Mr. Damas stated that they plan to clarify communication and to be careful when using shorthand. Mr. Skowyra stated that labor contracts have traditionally gone to Intro and Action at the same time. Director Blanford

expressed great concern related to this type of thing happening again less than 24 hours from the TRI Settlement Agreement. Mr. Damas shared other ideas his department plans to implement to avoid this in the future. Mr. Damas raised the question of what would happen to the money that was already paid. After great discussion the Board members decided it would be best not retrieve the money from the employees but instead amend the BAR. It was decided to ratify the payments, we did not take back the September increase, and only gave the 1.8% for October to be very transparent at the next board meeting and bring the BAR for Intro on November 2<sup>nd</sup> and Action on November 16<sup>th</sup>. Director Harris stated that the November first paycheck would be without the raise because it will not yet be approved by the board. It would also ratify the previous payment much like what was done with the TRI payment.

**Action: Director Peters moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.**

3. BAR: Resolution 2016/2017 Certifying Excess Levies & Calculation of General Fund Levy Rollback (Sebring)

Budget Director Linda Sebring stated that the Board Action Report is a certification of our Capital and Maintenance and Operations levies. Ms. Sebring went on to explain the Maintenance and Operations Levy have two factors. One is the voters' approval level and the other is the formula determined by the state. The district can collect the lesser of the two amounts on the levy. Ms. Sebring went on to say that in order to ensure that the district gets the most out of the funds, her department estimate a little higher and then every November they true it up. Ms. Sebring pointed to the amounts given on the Board Action Report, hence the rollback amount. Director Harris inquired if the Puget Sound Educational Service District gets involved in this process. Ms. Sebring stated that first class school districts are supposed to certify the levy amounts every year directly with King County, however, the Puget Sound Educational Service District had been doing it for Seattle Public Schools and other districts they support. King County is reverting back to having school districts certifying levies directly which is why they need to bring this to the Board for approval.

**Action: Director Peters moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.**

**Board Policies and Procedures:**

1. Policy D140.00-D140.01 (new 6102) District Fundraising and Policy 6114 Gifts, Grants, Donations & Fundraising Proceeds (Stone)

Director of Grants Michael Stone spoke about the work on updated language that is being drafted for future review by the Board. Mr. Stone verbally shared some of the updates that had been made to the policy on new ways of fundraising including language in regards to Go Fund Me sites and Crowdsourcing sites which are not allowed through Washington State School Directors Association (WSSDA) & Washington Administrative Code (WAC). Director Blanford asked if DonorsChoose received a percentage of the funds raised. Mr. Stone stated that he did not think so but that he would have to look into it. Ms. Berge mentioned that she believed that the district was allowed to pay a fee but not a percentage. Director Peters mentioned that the language on page 3 should be updated in regards to Crowdsourcing so that it's clear that it is not allowed. Mr. Stone said that he would look at that language.

**Follow up: Director Harris asked if Mr. Stone could add Tacoma's Policy and any other benchmarking when he puts the policy together. Mr. Stone agreed.**

**Special Attention Items**

1. Informational Only: Head Start Duration Proposal (Gousie)

Head Start Manager Eugene Gousie spoke about a follow up from the September 16<sup>th</sup> Friday Memo. Mr. Gousie stated that they have a deadline to get the revised Head Start proposal submitted. Mr. Gousie stated that given the dollar amount that the federal government had set for them as a cap they were now going back with a second proposal. The proposal would extend two classes to full day starting next year, September 2017. Mr. Gousie will use the information from the federal government to develop a Board Action Report and bring it to the Board.

2. Informational Only: Open Purchase Orders (Berge)

Assistant Superintendent of Business and Finance JoLynn Berge brought annual commitments and annual purchase orders for the Board to see for transparency reasons. Ms. Berge stated that the purchase orders had all been approved by the board and she wanted to give them some perspective of how they go about keeping track of them.

3. Informational Only: Employee Health Benefits Contracts (Codd)

Assistant Superintendent of Human Resources Clover Codd spoke about the total health benefit expenditures from November 2015 to November 2017. These expenditures were approximately \$70M of which 83% were paid by the district and 16% percent were paid by employees through payroll deduction. The contract amount for administration of the benefits by the vendor for the 2016-2017 school year is \$53,000. The district and joint insurance committee compared Seattle Public Schools benefits to the WEA portfolio. Ms. Codd stated that Seattle Public Schools health plans show lower deductible, lower co-pays and lower out of pocket maximums than larger provider networks at lower average rates.

**Regular Agenda**

1. SMART Goal #4 Early Hiring (Codd)

Assistant Superintendent of Human Resources Clover Codd spoke about having 97% of positions filled on the first day of school and that 39% of our school administrative hires were people of color. Ms. Codd went on to say that Seattle Public Schools increased their diversity by 4% so 21% of our teacher hires identified as people of color compared to last year's 17%.

2. Monthly Budget Update (Sebring)

Budget Director Linda Sebring spoke about more information being shared at the October 26<sup>th</sup> work session but also wanted to share some high level calendar items with the Board. Ms. Sebring spoke about the stakeholder interface and the budget development for the 17-18 school year with the Board and community. She also shared that there will be a lot of decision making from now until December 15<sup>th</sup> and that everything effects each other, including the unknowns of the legislation session. Ms. Berge stated that there will be more to come at the October 26<sup>th</sup> board work session. Ms. Sebring stated that there will be community meetings on October 25<sup>th</sup> at John Stanford Center from 6 p.m. to 8:00 p.m. and also at South Shore on November 3<sup>rd</sup> from 6:00 p.m. to 8:00 p.m. Director Harris suggested making a flyer for the directors to take to their community meetings. Ms. Berge said they would work on one and send it to them.

3. Monthly Financial Updated (Berge)

Assistant Superintendent of Business and Finance JoLynn Berge spoke about closing the 2016 fiscal year. Ms. Berge highlighted page one of the worksheet and went over the financial highlights for July 2016. Ms. Berge spoke about the fund balance and carry forward for the 2015-2016 year and how it will be a critical part of the budget information for the 2016-2017 school year. Ms. Berger also mentioned that State revenues were up slightly due to our increased enrollment

4. Committee Annual Work Plan (Berge)

Assistant Superintendent Business & Finance JoLynn Berge stated that there is an annual yearend report requirement in the policy for December that they would like to move to January. Ms. Berge went on to say that the timing of the Board meeting was such that year-end close would have just ended. The oversight work session was moved to December as well as moving the year-end report to January. Because of these changes Ms. Berge requested to make a permanent shift of the annual year-end report to January. Director Harris asked what would have to happen to make the shift. Nate Van Duzer stated that they would be able to make the change if the Chair agreed.

**Meeting was adjourned at 5:57**