

Board Special Meeting

Monthly Audit & Finance Meeting

Monday, October 9, 2017, 4:30-6:30pm

Board Office Conference Room, John Stanford Center

2445 – 3rd Avenue South, Seattle WA 98134



Minutes

Call to Order

This meeting was called to order at 4:30 pm Directors Harris and Blanford were present. Director Burke was on the telephone

Assistant Superintendent for Business & Finance JoLynn Berge staffed this meeting.

Approval of agenda: Director Blanford moved to approve the agenda. Director Burke seconded. This motion passed unanimously.

Approval of meeting minutes as amended Director Blanford moved to approve the June 13, 2017 meeting minutes. Director Burke seconded. This motion passed.

Board Action Reports (Discussion and/or Action)

1. Resolution 2017/18-4, Certification of the Operations Levy collection amount for 2018 (Sebring) Budget Director Linda Sebring spoke about annual State requirements for recertification of the Levies. She gave a summary of the board action report (BAR), resolution and 2018 levy authority F780. She explained why in 2018 calendar year the District will be doing a rollback based on the levy authority guidelines.

Director Blanford asked what happens with a rollback to a tax payer. Ms. Sebring explained how taxpayers voted on a millrate which is tied to home values. When assessed values go up the amount per thousand goes down. Generally our millrate is lower than anticipated because of this. Assistant Superintendent for Business & Finance JoLynn Berge explained property taxes will go up due to the new state law in addition to the levies.

Director Harris asked is the new law McCleary. Ms. Berge confirmed it was HB 2242.

Director Harris requested a pictograph to be included when this BAR is brought back to the board for intro and action.

Director Burke asked for historical context on previous levy years. Ms. Sebring explained in previous years the rollbacks were \$8-10 million. She explained the additional factors to the rollbacks in previous years. Ms. Sebring will provide data on previous rollbacks at intro.

Director Blanford made a motion to move this item forward to the full Board with a recommendation for **approval** Director Burke seconded. This motion passed unanimously.

2. BAR: Amend Board Policy No. 5010, Nondiscrimination & Affirmative Action; Adopt New Board Policy No. 5207, Prohibition of Harassment, Intimidation, and Bullying; and Adopt New Board Policy No. 5245, Non-Retaliation (Codd)

Assistant Superintendent of Human Resources Clover Codd spoke about the purpose of the policy change. Ms. Codd explained current policies and procedures around harassment. Deputy General

Counsel John Cerqui spoke about the purpose of the policy changes. He explained current policies allow for unlimited filing deadlines, the update will match State law and have a one-year deadline. He reviewed the process of requesting an extension with exceptional circumstances. He summarized additional changes to the policies such as timelines, appeal process and how the non-discrimination policy is incorporated.

Director Blanford asked about the impartiality of the Conflict Engagement Specialist that would go to schools. Ms. Codd explained the type of situation the Conflict Engagement Specialist would be called out for problem solving and it would not be formal mediation. A formal mediator would be called for higher level conflicts.

Director Blanford asked for a continuous improvement protocol to measure the success of this trial. Ms. Codd explained the employee engagement tool is being used. She explained we can add additional questions to that to have additional data.

Director Burke asked about parent complaints Mr. Cerqui stated that those are covered under a different policy in the 5400 series.

Director Harris asked to have the standards setup for what goes in front of a hearing. She also added for tier three the confidentiality agreement needs to be framed better. Director Harris also would suggest an outline of the process with deadlines included.

Director Burke asked if Directors will have the opportunity to observe the hearings. Ms. Codd confirmed Directors can observe, but they would not be able to speak or present.

Director Harris asked to separate the internal auditor piece superintendent procedures regarding to the whistleblower piece. Ms. Berge explained Superintendent Procedures are in place for implementation for staff. If you want this to be removed then it would be an across the board policy wide as a bigger conversation. Ms. Codd spoke about the procedure is not being voted on, this was just to approve the policy.

Ms. Codd will come back will come back with a discussion on the role of the internal auditor and superintendent procedures.

Director Blanford made a motion to move this item forward to the full Board with a recommendation for **consideration** as amended Director Burke seconded. This motion passed unanimously.

3. BAR: Nesholm Foundation Grant (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge spoke about how the Nesholm grant is for three schools. Denny, Asa Mercer and Aki Kurose middle Schools. She explained the grant would give support to the three highest poverty middle schools. The Nesholm foundation has provided grant funding since 2002. She explained what this grant provides and the focus within the schools that the funds are used for.

Director Burke asked about the lack indirect costs of this grant. Ms. Berge explained the District recognize the benefits of this grant and we have accepted that condition.

Director Blanford made a motion to move this item forward to the full Board with a recommendation for **approval** Director Burke seconded. This motion passed unanimously.

4. BAR: State Auditors Contract (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge spoke about how this contract is required. This authorized the Superintendent to pay for the audit for the school year of 2016-17.

Director Blanford made a motion to move this item forward to the full Board with a recommendation for **approval** Director Burke seconded. This motion passed unanimously.

Special Attention Items

1. Employee Health Benefits Contract (Codd/ Berge)

Assistant Superintendent for Business & Finance JoLynn Berge gave an overview of our contract with Sprague Israel Giles (SIG). SIG provides benefits administration with a commission rate. The current Board approved contract began in 2015 with a three year term. The District is able to extend this contract for three additional years on a year by year basis. Staff will be giving this as the recommendation. Ms. Berge explained the commission rate and amount that District pays for. She explained the purpose of the health benefits committee.

Ms. Berge asked if the Directors would like a BAR to come through for the one year extension that will be coming up in February 2018.

Directors agree this does not need to come to the Board as a BAR, but as an informational item for a 1 year extension.

Regular Agenda Items

1. Monthly Financial Status Update (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge spoke about revenue and expenditures are both up, but was expected due to higher enrollment. She pointed out on page 7A special education is tending higher than normal. Ms. Berge explained a lot of this is due to contracts. The property tax revenue in July had an error in the BEX IV and BTA IV, this error has been corrected and reflected in the document.

2. Monthly Budget Update (Berge)

No update.

3. SMART Goal #4 Budget (Berge)

Assistant Superintendent for Business & Finance JoLynn Berge explained SMART goal 4 is incorrect and it is actually goal 3. She spoke about goal 3 is program reviews the list will be given to the Directors at the next work session meeting. She explained this process is not a review of the program, we are gathering information between schools and operational things. From the list of 30 programs that are being reviewed the Directors can have the ability to take a deeper look of 2 or 3 programs.

Director Harris asked if Eric Anderson will be doing a deeper look. Ms. Berge explained the Budget office has done all that they can and she offered some suggestions of who else could do a deep look into the programs.

Director Burke suggested a name change, that shows the difference from a program review.

4. Committee Annual Work Plan (Berge)

No update.

Adjourned at 5:58pm