

# Board Special Meeting

## Budget Work Session

Wednesday May 2, 2018

Board Office Conference Room, John Stanford Center

2445 – 3<sup>rd</sup> Avenue South, Seattle WA 98134



## Minutes

### Call to Order

Call to Order

This meeting was called to order at 6:28 pm. All Directors were present.

This meeting was staffed by Assistant Superintendent for Business & Finance JoLynn Berge.

Assistant Superintendent of Business and Finance JoLynn Berge introduced the Business & Finance Directors and Managers. Purchasing Manager Craig Murphy reviewed the agenda for the meeting. He spoke about the Business & Finance organization chart. Audit Response Manager Annette Boulmetis spoke about the department functions of the accounting and audit response departments. Budget Director Linda Sebring summarized the department functions for the budget department. Capital Project Financial Control Manager Melissa Coan reviewed the role that capital finance has within Business and Finance. Contracts Manager Diane Navarro summarized the contracting services. Payroll Manager Elana Reuben gave the summary of the payroll department and Mr. Murphy spoke about the highlights of the purchasing department. Mr. Staudt spoke about some of the items risk management monitors.

Director Mack asked about the structure of Safe Routes to School. Risk & Loss Prevention Manager Richard Staudt explained it is a committee established by Seattle Municipal Code. He spoke about how SDOT and King County Metro are members and they assist in creating safe routes for our schools, the committee meets monthly. He added community feedback is encouraged.

Director Mack asked about how does this committee feedback come to the District Board. Mr. Staudt explained the committee makes an annual report to the City Council. Our Capital department now submits designs early to the committee to get feedback regarding transportation safety back to the designers of the schools.

Mr. Staudt spoke about how 25,000 volunteers are currently in the schools. He explained the volunteers have received background checks and the training necessary to work in our schools.

Director Harris asked if we have anything in our volunteer handbook about not carrying guns.

Mr. Staudt explained in the handbook it does say volunteers are to follow the same rules as if they are at a school. All of the volunteer drivers sign off on a checklist of what is required of them while volunteering on a field trip.

Mr. Staudt spoke about how the Business & Finance department supports the work of board committees, particularly through the efforts of Leah Thorpe.

Ms. Berge explained the S.W.O.T analysis. She highlighted the strength of the 2018-19 budget is balanced, she spoke about the good relationships. She reviewed the weaknesses.

Ms. Berge spoke about the opportunities within the Business and Finance department. She explained the department is responsible for hundreds of thousands of transactions each year and how department is always working toward improving.

Director Mack asked how do field trips come out in the budget. Ms. Berge explained schools can fund field trips out of WSS, PTSA or fundraising.

Director Burke asked if LEAN structure for continuous improvement is a risk component. Ms. Berge explained it is a risk to some degree. She gave an example of the new budget system and how a project manager is needed for such a large system.

Director DeWolf asked about expanded cabinet or how to be leaner with the new superintendent. Dr. Nyland explained Moss Adams is currently reviewing central administration. Deputy Stephen Nielsen explained the report will be given at the end of June to the board.

Director Mack asked if the silver budget book accessible to the public. Ms. Sebring explained she believes it is, but if it isn't she can make it be. Ms. Berge explained the silver book is a tool for central office budget guidance.

Ms. Sebring spoke about the Key Performance Indicators (KPI's). She reviewed how the unplanned change in unassigned fund balance as of 2017-18 budget development is less than 1%. The budget department goal is to have 99% accuracy. In the 2018-19 the department reached a 99.4% accuracy amount.

Director Mack asked how are the KPI's identified. Ms. Sebring explained they were set by the board prior to the current management staff. And they are going to be relooked at in the future. Director Harris asked if payroll systems now speak to each other. Ms. Reuben explained we are getting there. Ms. Berge explained we now have a report that we can see by school and by employee. Additional steps are being made to have additional monitoring done and we are waiting for Department of Technology Systems (DOTS) employee resources to become available.

Director Harris asked about the Point of Sale. Ms. Berge explained all high schools and middle schools are on the system and it is moving along well. The remaining schools will come on as part of Phase 2 in school year 2018-19.

Ms. Sebring spoke about the retaining quality budget team members. Ms. Reuben and Ms. Boulmetis reviewed the remaining department goals and objectives.

Director Pinkham asked whether there was a risk of personal information being stolen with the move to online copies of paychecks in Employee Self Service (ESS). Mr. Staudt explained that DOTS has looked at that closely and confirmed appropriate steps are being taken to ensure data security.

Ms. Navarro spoke about the contracting department's goal to increase contractor diversity, and we are currently tracking against our capital construction and professional services contracts, as well as our general service contracts.

Director Burke asked how priority hire program works within our system. Ms. Navarro explained we do not currently have that within our construction program, but we are partnering with capital department to determine if there are other contract areas within the capital program, such as our architecture A&E contracts where we can find opportunities for WMBE-type firms to be competitive.

Director Harris asked do we take advantage of the City and County rosters. Ms. Navarro explained we currently do not but we are hoping to head in that direction. But some firms have not gone through the state certification process which then requires us to cross check. We are currently working with legal and accounting to get a process in place. Ms. Navarro has met with Brent Jones to find ways to bridge the gap between our vendor community. Ms. Navarro also explained our districts involvement in TABOR 100 and our advertising of our projects on the

Washington State's Office of Minority and Women's Business Enterprises (OMWBE) site, the State's Department of Enterprise Services posting site, and participating in local tradeshow. Ms. Sebring explained one staff has been added to Payroll on the Staff and non-staff slide. And summarized the 2016-17 benchmarking. She explained the full-time employees in district has changed and why it has changed. Enrollment and transactions are both going up. We are getting a better ratio to staff and student. Mr. Staudt summarized the policies and procedures that the business & finance department follow. He reviews the internal and external controls. Ms. Coan spoke about the major contracts within the division. Director Mack asked about a drinking water quality lab test results done annually. Mr. Staudt explained every drinking water source is tested every 3 years and results are posted on the website. Mr. Staudt will send Director Mack the link to the reports. Ms. Coan summarized the key information technology systems. Ms. Berge reviewed the potential procurement policy work that is being done.

**Adjourned** at 7:36pm