Call to Order

This meeting was called to order at 4:30 pm Directors Pinkham, Geary and Mack were present.

Chief Financial Officer JoLynn Berge staffed this meeting.

Approval of agenda: Directors moved to approve the agenda. This motion passed unanimously

Approval of meeting minutes Director Pinkham moved to approve the September 9, 2019 Monthly meeting minutes and Director Geary seconded. These minutes were approved with amendments to change item three under resource meetings to “of promise schools”.

Items Requiring Board Action

1. BAR: State Auditor’s Office Contract (Fleming)
Chief Financial Officer JoLynn Berge filled in for Amy Fleming in her absence. Ms. Berge stated that the contract with the State auditor is mandated by law. She said that the State tells us how long the auditing process will take and how much they are going to charge us for it. The contract will go over the $250,000 threshold. Ms. Berge stated that they are planning 3000 hours’ worth of work and the results will come out sometime in May.
Director Geary requested to know if auditing was necessary on a yearly basis. Ms. Berge stated that we get audited every year because we are a large District. She also pointed to the sub four statement on the Board Action Report (BAR) which supported the reasoning.
Director Geary asked how we compared to other large government entities and how often they get audited. Ms. Berge stated that there are ten or twenty school Districts that get audited every year and that it was based on risk. She said, the larger Districts have the most money, the most resources and the most risk.
Director Pinkham noticed that the estimated timeline date was incorrect. Ms. Berge stated that they would correct the information.
Director Mack made a motion to move this item forward to the full Board with a recommendation for Approval Director Geary seconded. This motion passed unanimously.

2. BAR: Renewal of Microsoft Software Agreement (Peterson)
Director of Technology Infrastructure Nancy Petersen spoke about the new three-year Microsoft agreement that covers software licensing for all our Microsoft products. The renewal estimated total would be $2.856M not to exceed $3.57M. The cost would cover any additional machines or the ability to add products as they come up. The renewal covers everything from students, employees and servers. Ms. Petersen highlighted the fact that there was no vendor name on the Board Action Report (BAR) because the vendor with the lowest bid had not yet agreed to the terms and conditions. They expect to have that pinned down by the time they take the BAR to introduction. Ms. Petersen stated the reason the cost was higher this year compared to the last three years was because of the Microsoft Advance Threat Protection.
product. The District implemented this product last year and began purchasing it in six-month increments. The product is now rolled into the renewal contract which has increased the cost. Ms. Peterson informed the Board that the product helps with Phishing and impersonation scams cutting them down from 20 scams a week to about 2 per week. The product also covers student laptops protection and they have been able to expand the cloud backup in disaster recovery. Director Mack requested that Ms. Peterson create a chart that would show the comparison of renewal from year to year. Ms. Peterson said that she would update the information into a chart format. Director Pinkham requested that we add the fact that we no longer have to purchase the Symantec anti-virus product to the chart. Director Geary made a motion to move this item forward to the full Board with a recommendation for Consideration Director Mack seconded. This motion passed unanimously.

3. BAR: SIG Benefits Contract (Codd)
Jolynn Berge, Chief Finance Officer filled in for Chief of Human Resources Clover Codd in her absence. Ms. Berge spoke about continuing to contract with our benefits organization, Sprague, Israel and Giles Inc. (SIG) even though as of January 1st Seattle Public Schools will be under Washington State benefits (SEBB). SIG will be help field calls and help with staff communication as we transition into our new benefits program. SEBB is strictly web based which doesn’t allow our staff to speak to someone in person. Ms. Berge stated that they will need SIG’s assistance though next year because of the uncertainty of how the new benefits program will roll out. Director Mack requested to know what the previous contract amount was for and why we were paying more. Ms. Berge stated that the previous contract amount with SIG was for $50,000. Ms. Berge informed the Board that the low cost of $50,000 was because SIG would receive additional payments, bonuses, rebates or markup rates from the insurance companies and now that SEBB is no longer our broker the cost to work with SIG has increased. SIG will continue to handle our backend eligibility and enrollment reporting, Cobra coverage and customer service access for Seattle Public School (SPS) staff. Ms. Berge stated that the transition to SEBB will cost the District $8M to $10M more than what we had paid in previous years. Some of the increase in cost is due to staff who work 630 hours or more, are now eligible for insurance. The State has not allocated funding for substitutes in more than 20 to 30 years so if a substitute works more than 630 hours SPS provides full insurance coverage but receive no funding for it. Director Mack requested that we daylight last year’s cost per employee compared to this year’s cost including the SIG contract in total. Director Geary requested clarification on the Board Action Report (BAR) around what SIG will be providing for the additional cost and how we need to keep their services through this transition because of the lack of in person costumer service access with the new benefits. Director Geary moved the BAR for consideration as amended with explanation of previous health care cost and projected sub cost to the District as well as the clarification around the need for costumer services. Director Geary made a motion to move this item forward to the full Board with a recommendation for Approval or Consideration Director Mack seconded. This motion passed unanimously.

Special Attention Items
1. Contracts Exceeding $250k: Calfo Eakes & Ostrovsky (Cerqui) John Cerqui, Deputy Chief Legal Counsel, brought forward a memorandum to inform the Board that the contract with Calfo Eakes & Ostrovsky exceeded the $250,000 threshold. Mr. Cerqui stated that the invoices they received in August for the 2018-2019 school year will exceeded the threshold amount of $250,000. Mr. Cerqui stated that it was related to a litigation that had been discussed in Executive Session and that the Washington State Risk Pool would be covering any additional costs.
2. Thornton Creek Follow up (Boy)
Ronald Boy, Senior Assistant General Counsel, stated that according to our policy 4520 the District does require parent groups or similar organizations to be registered as 501C3, non-profit organizations if they conduct fundraising. He also said that he’s been in contact with Thornton Creek and that they consider the fundraising arm of the organization which is only parents as separate than the arm that includes staff. Mr. Boy stated that in August Thornton Creek was working on developing a decision authority matrix so they can get a clear separation and understanding of roles and decision making. Mr. Boy stated that they are currently following guidelines as a result of last year’s audit findings, and he will check in with them again.

3. Memorandum of Understanding Policy (Boy)
Senior Assistant General Ronald Boy shared the Memorandum of Understanding (MOU) process for the Board per Director’s Mack request. Mr. Boy stated that all MOU’s are reviewed and cleared risk wise and legally by Mr. Boy and then forwarded to Ms. Berge for sign off. MOU’s are usually non-monetary, non-policy structure change or MOUs with programs being offered at schools. Ms. Berge stated that unlike Collective Bargaining Agreements or other documents, MOUs do not need to go to the Board. Rivka Bernstein in our Community Engagement department oversees MOU’s with our community partners. Mr. Boy created a template that insures that all people working in our schools have had the appropriate background checks and have attended the sexual misconduct training and that they have proper insurance. Mr. Boy stated that they are in need of updating their community partnership policy and will including information about MOU’s.

4. CEP Schools Follow Up (Stone)
Chief Financial Officer JoLynn Berge filled in for Grants Director Michael Stone in his absence. Ms. Berge stated that she was sharing information on the Community Eligibility Provision (CEP) program per the Boards request. Ms. Berge said that CEP is a Federal program. The idea was that high poverty schools would apply for the program and the whole school would eat breakfast and lunch for free, without having to do any paperwork. The school would have to meet the 60 to 70% poverty threshold to participate. What they did not anticipate was how the program would interact with State policy. The State did not want to increase their allocations that are based on free and reduced lunch. That said, if students did not fill out the Free and reduced lunch paperwork it directly impacted school allocations. There are still five SPS schools participating in the CEP program and although they thought there would be an increase in students eating meals at schools with the CEP program, it did not.
Director Geary requested to know the next steps for program. Ms. Berge said that in collaboration with Child Nutrition they would continue to do a cost analysis with individual schools to figure out if the CEP program is working. They will have more data to report at the March workplan meeting.

5. Fiber Credit (Medina)
Director of Internal Audit and Ethics officer Andrew Medina stated that he and Kim Fry, Capital Audit Program Manager, met with the City of Seattle Fiber Program Manager to ensure they both had a firm understanding of everything related to fiber credits. The City confirmed the credits are related to past fiber projects and not to maintenance costs. Mr. Medina summarized this information for accounting and reaffirmed Internal Audit’s finding and recommendation that fiber credits be applied to the original expenditure account that was initially used to pay for the projects. Accounting agreed that they would post the credit to Capital.
6. SAP Human Resources and Payroll Services Support (Berge)
Chief Finance Officer Jolynn Berge informed the Board that there will be a substantial BAR coming for staff augmentation for SAP contracting work. Ms. Berge stated that due to some recent turnover Seattle Public Schools will need to contract with EpiUse and through the augmentation process fill at least three or four positions. They will use the augmentation process throughout the year in the hopes of eventually filling the vacant positions. Ms. Berge informed the Board that they recently promoted an internal candidate as the interim manager who originally was a contractor. Ms. Berge is anticipating that the cost will be around $300,000 to $400,000 worth of staff contract work to get them through the year.

7. Operations Levy Certification (Berge)
Chief Finance Officer Jolynn Berge requested to move the Operations Levy Certification from October to November on the Work Plan. Ms. Berge explained that the data required to calculate the Levy certification information is not available until the end of October. The data has to be sent to the county by the end of November 30th for validation and the timing with Executive Committee is off. The Board agreed to move it.

Regular Agenda Items
1. Committee Annual Work Plan (Berge)
Chief Finance Officer Jolynn Berge went over the Work Plan confirming that the Operations Levy Certification was moved from October to November permanently. Another item that Ms. Berge wanted to correct was the October Financial update that currently lands in October and move it to November. Ms. Berge stated that her department is still closing out the previous year so there is nothing to report. The Board agreed.

Adjourn 6:07 p.m.