

Board Special Meeting

Monthly Audit & Finance Meeting

Monday, February 10, 2020 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, Rivera-Smith and Hampson were present.

Chief Financial Officer JoLynn Berge staffed this meeting.

Approval of agenda: Directors moved to approve the agenda with one amendment to speak about the Refinance 2010 Limited General Obligation Refunding Bonds at 6:00 p.m. which would change the order of the agenda. This motion passed unanimously

Approval of meeting minutes Directors Harris approve the December 9, 2019 Monthly meeting minutes and Director Rivera-Smith seconded. The motion passed unanimously.

Items Requiring Board Action

1. BAR: John Stanford International PTA Grant (Stone)

Director of Grants and Fiscal Compliance Michael Stone stated that he would be speaking about both the John Stanford International Parent Teacher Association (PTA) Grant request for \$349,000 and the McDonald International PTA grant for \$358,000 together. The grant is for the next school year. Mr. Stone had invited staff members and PTA to attend and speak about the grant. Mr. Stone asked that they introduce themselves. Michelle Goldberg, Principal of McDonald International, Zoe Facilla, Assistant Principal of McDonald International, Nicole Shapiro, PTA president of McDonald International, Mr. Hem Nalini Morzaria-Luna of the PSTA of John Stanford, Antoinette Angulo. Mr. Stone stated that both schools are asking that the Board approve PTA funding for Instructional Assistant (IAs) and counselors at each school. The stated that they have been using this model of funding for over the past several years. Director Harris inquired if the PTA had scaled back on this type fundraising compared to years back. Ms. Goldberg stated that after looking at other school models and keeping in mind equitable practices, they decided to scale back and only use the funding to pay for IAs in Kindergarten and first grade classes plus one counselor.

Director Harris asked if the IAs were being imported in from different countries and not being offered to locals. Ms. Goldberg mentioned that the IAs mentioned above live locally. Ms. Goldberg said that they do have student teacher interns that come from other countries and work with their 2nd through 5th grade students. She stated that PTA pays for the interns through the organization, Amiday.

Director Hampson requested to know how much the PTA is paying for those interns. Ms. Goldberg said that they currently have 6 interns and it is roughly around \$42,000.

Director Hampson requested to know why we use international interns instead of working with local colleges. Ms. Goldberg stated that there hasn't been enough of an interest from interns to do their internship at their schools.

Director Rivera-Smith asked if they knew what would happen if they did not have the extra help in the classrooms. Ms. Goldberg said that they have always had the additional help in classrooms and that she is not sure how it would impact the schools if they did not have it. Ms. Goldberg pointed out that the gap

between students of color and white students compared to the district average are much smaller than most schools and she believes it is a model that seems to be working.

Director Harris asked how the funds were being raised. Ms. Goldberg stated that it is a direct ask of parents and if some families can give, they do, and if they cannot they do not have to.

Director River-Smith asked if the funding had already been raised. Ms. Goldberg said that they had not fully raised the money but that John Stanford International had.

Director Hampson asked if Ms. Goldberg was reflective of the Districts free and reduce lunch population. Ms. Goldberg stated that they would probably not need to have an intern in the classroom if they had 50/50 dual language speakers in the classroom. She said that geo zoning and lack of transportation inhibits more native speaking students to attend her schools.

Director Harris and Director Hampson both want to look into ways that they can support the schools but that they cannot vote to approve these grants because of the inequity of it.

Director Rivera-Smith made a motion to move this item forward to the full Board with a recommendation for approval. The remaining Directors did not second the motion. This motion did not pass.

2. BAR: McDonald International PTA Grant (Stone)

McDonald and John Stanford International PTA grant Board Action Reports (BAR) were presented at the same time. The motion did not pass.

Director Rivera-Smith made a motion to move this item forward to the full Board with a recommendation for approval. The remaining Director did not second the motion. This motion did not pass.

3. BAR: Bureau of Justice Grant (Meade/Podesta/Jessee)

Director of Investigations and Compliance Tina Meade spoke about the \$496,000 Bureau of Justice grant they applied and received to pay for the creation of a threat assessment team. The assessment team will be a multi-disciplinary team that will consist of the Seattle Police Department, Seattle School central office staff, and social service agencies to help stop/prevent school violence. The bulk of the grant would be used to train the multi-disciplinary team through the nationally known Association of Threat Assessment Professionals conferences, They will also have a chance to work with the person that created the Salem-Kaiser threat assessment model, which is the model suggested by Office of Superintendent of Public Instruction, and receive an audit and assessment of Seattle Public Schools (SPS) current threat assessment protocols and practices, along with recommendations for the team.

Director Harris was concerned that by partnering with the Seattle Police Department (SPD) our student might be labeled as gang members and that did not sit well with her. Ms. Meade did not see the connection as the grant narrative focused on threat assessment; Ms. Meade said that the school district already has to work with SPD when responding to credible threats of lethal violence. This grant will enable SPS to collaborate with not only Seattle Police department, but also social service and mental health providers to address student needs from a comprehensive perspective, not just reactive.

Director Hampson requested that Ms. Meade add more information under the equity portion of the BAR of how the new multi-disciplinary team will help address prison to pipeline inequities; and that the threat assessment department is no longer under Safety and Security but now under Student Supports Services. Also, how the multi-disciplinary team will help decrease more reactionary police involvement in our schools.

Director Harris requested that we add info to the BAR acknowledging that a new or revised threat assessment adopted policy will come to the Board for approval.

Director Rivera-Smith made a motion to move this item forward to the full Board with a recommendation for **Consideration**. Director Hampson seconded. This motion will go to the Board for consideration.

4. BAR: Approval of Contract with Unify Consulting (Jaeger)

Director of Information Systems and Business Intelligence Judie Jaeger stated that the Unify consulting contract was for staff augmentation work and process improvement, that they had published a Request for Proposal (RFP) in November 2019 for their Systems, Application & Products (SAP) staff augmentation. Ms. Jaeger stated that it was a business model that they were looking to potentially move towards in the future. She stated that it is very difficult to find SAP resources, so the strategy is to keep up with unfunded mandates by bringing in consultants, scaling up and down based on demand. Ms. Jaeger stated that the BAR she is presenting is in response to the RFP. She stated that they have had SAP staff turnover which has created an extensive backlog which this contract will help with and also help with some process improvements.

Director Harris requested that Ms. Jaeger tell the Board what types of improvements would come of this contract. Ms. Jaeger said that requirements gathering was one example of process improvements.

Director Hampson requested to know what process they followed to assure that they solicited the prioritization of women and minority contractors under the “equity” portion of the BAR.

Director of Business and Finance, Jolynn Berge, stated that they do not have a specific policy but that they try and track Washington State Office of Minority & Women’s Business Enterprises (OWMBE) contractors and specifically send contracting requests to them but that it is an area they need to improve on.

Director Hampson stated that she would prefer to see the information she shared about not having a specific policy and trying to track and send work to OWMBE contractors under the equity portion of the BAR instead of what they wrote down.

Director Rivera-Smith made a motion to move this item forward to the full Board with a recommendation for Consideration with the additional equity analysis language that Director Hampson requested Director Harris seconded.

5. BAR: Approval of the Purchase of Replacement Vehicles (Sebring) Linda Sebring, Director requested approval to replace 24 of the District’s current vehicles. The district’s fleet manager, working with the maintenance manager created a ranking system of the current vehicles to determine which ones to keep and which ones to replace with newer, greener and more fuel-efficient vehicles.

Director Harris asked if purchasing greener vehicles would fall under the green resolution that was created 8 or 9 years ago. Ms. Sebring will look into it since she was not aware of a green resolution.

Director Harris would like her to speak about the green resolution at the Board meeting. There were amendments that needed to be made on the BAR. 1. Add the word van next to Nissan. 2. Add a legend explaining what the numbers mean next to the vehicles.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval**. Director Rivera-Smith seconded. This motion passed unanimously.

6. BAR: Refinance 2010 Limited General Obligation Refunding Bonds (Berge/ Sebring) Chief Finance Officer, JoLynn Berge, prepped the conversation by saying that they have been working with Corey Plager, Senior Vice President and Jon Gores, Manager Director of D.A. Davidson to find the right time to refinance the bond which could potentially save the District around 1Million. Mr. Plager stated that the interest rates are at the lowest they have been for over 25 years. He also stated that the opportunity to refinance is coming up and that the District has an opportunity to refinance 90 days before June 1st. The savings would be around \$154,000 each year in our Capital Projects Fund. If the BAR is approved Mr. Plager stated that the next steps would be for the Board to decide what the minimum savings percentage target rate would be. Washington State has a recommended target savings rate for a 7 to 8-year bond at 4%. Mr. Plager’s team would then send out an RFP to potential bidders by March 12th and provide the

District with multiple recommendations for the District to move forward with. The final bidder will be notified by April 1st. Ms. Berge and Ms. Sebring suggested that we move forward with the 4% recommendation to the Board.

Director Hampson requested that the next time there are no options in hiring woman or minority firms that we ask the firm we are working with to present their companies commitment to hiring woman and minority. Director Hampson also requested to know D.A. Davidson's racial equity division. Mr. Gore did not know but said that he would email Director Hampson the information.

Director Harris made a motion to move this item forward to the full Board with a recommendation for Approval Director Rivera-Smith seconded. This motion passed unanimously.

7. BAR: Seattle Teacher Residency Program Funding (Codd) Clover Codd, Chief Human Resources Officer, stated that per Board policy any Personal Service Contract that exceeds \$250,000 needs to be approved by the Board. The contract is with the Alliance for Education and it is to support the Seattle Teacher Residency program in the amount of \$301,361.00.

Director Rivera-Smith made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Harris seconded. This motion passed unanimously.

Special Attention Items

1. 403(b) Plan Amendment (Codd) Clover Codd, Chief Human Resources Officer, informed the Board that there were some technical changes that were made, and we are making them in order to be compliant with the Federal government. Ms. Codd wanted to inform the Board that they will be adding a post-tax Roth option to the 403 (b) Plan. The option would help new and younger employees who have some time until retirement.

2. Contract Exceeding \$250k: SPED Contracts (Campbell)

Director of Special Education Trish Campbell spoke about the Special Education vendor contracting process and if a contract is going go over the \$250,000 threshold, they inform the Board of it. Ms. Campbell spoke of four different vendors 3 being nonpublic agencies (NPAs), these are private schools for our students that require a certain level of service. The other vendor is Sunbelt Staffing and that this agency helps to fill positions that the District is unable to fill.

Director Harris requested to see if it would be best to increase the amount needed on these contracts when they are first created. Ms. Campbell said that they have no way of knowing if and what services our students will need when the contracts are created but that she can continue to collect the data to better estimate the amount needed.

Director Hampson requested to know what the total cost of Special Education contracts are and if they can make a note of that in the budget portion of the BAR moving forward on these types of BARs. Ms. Berge said that they can provide that information.

3. Policy 6114 (Stone/ Berge)

Chief Financial Officer JoLynn Berge spoke about the Board wanting a broader grant definition on Policy 6114 so they generated a redline version of the current policy with a way to broaden the definition. Director of Grants Michael Stone has been working with Accounting Director Amy Fleming, Ms. Berge to add language regarding what it meant to be a pass through agency and or fiscal agent and how we to administer each process. There was some discussion whether to bring a formal policy change to the Board or something different.

Director Hampson volunteered to draft some initial language and work with Ellie Wilson-Jones, Director of Policy and Board Relations to make a recommendation on what to do next.

4. Governor's Budget / Next Budget Work Session (Berge)

Chief Finance Officer JoLynn Berge stated that she spoke about the Governor's Budget at the last Work Session so there was nothing else to cover. Ms. Berge said that at the next budget work session they plan to go over the Strategic Plans that they did not cover which include Operations, Engagement and Communications. They will also have Capital do a first review of the budget. Ms. Berge requested to know if there were any additional questions, items the Directors would like to add as a wish list for the upcoming March Work Session.

Ms. Berge had already received Director Hampson's list and is planning to meet with Director Hampson and Director Rankin to go over some of the items. This will give Ms. Berge's team time to gather information and better address the Boards questions at the upcoming March Budget Work Session.

Director Hampson informed the Directors that they can send their questions to her for follow-up and that she can discuss them at her next meeting with Ms. Berge with more budgetary specificity. Both Director Harris and Director Rivera-Smith had additional items they add to the list.

Director Rivera-Smith requested to know how much we are paying on classroom overages. Ms. Berge said she could bring that information to the next Audit & Finance Committee meeting.

5. A&F Committee Time Change (Berge)

Director Hampson requested to change the A&F meeting from 4:30 p.m. to 7:30 a.m. Director Rivera-Smith and Director Harris agreed to the change.

Regular Agenda Items

1. Monthly Accounting (Fleming)

Director of Accounting Amy Fleming stated that there was nothing unusual to report for October and November. Ms. Fleming said that the December report showed enrollment was up from last year possibly due to the closing of Charters. Ms. Highlighted the general fund report and said that although it looked like funding was down in revenues it had to do with property taxes and the law changes to the property tax revenues that they received. Ms. Fleming also said that the Office of Superintendent of Public Instruction (OSPI) enrollment adjustment will begin in January which help our revenues catch up as a result. Ms. Fleming stated that we are progressing as normal.

2. Committee Annual Work Plan (Berge)

Chief Financial Officer JoLynn Berge stated that they have a lot of annual reports that they are required to do in Policy. They do not have any Policies pending because they have done most of the work over the last few years. They will add Policy 6114 although that was not currently on the work plan so they will have to figure out when to add it in. Ms. Berge also said that they are moving the Grants report to March because of the cancelled Audit and Finance meeting in January.

Ms. Berge asked what month they would like to add Policy 6114 to Annual Work Plan.

Director Rivers-Smith requested to have community engagement when creating Policies that would tackle funding of staff. She wasn't sure what that would look like.

Director Hampson said that she could meet with the Parent Teacher School Association (PTSA)

President to investigate a timeline. Ms. Berge said that she would add Policy 6114 to every month of the Annual Work Plan until they come up with the correct timeline.

Director Hampson said that the budgeting process should go through a racial equity analysis when looking at the work plan items.

Director Harris asked if they could also add the weighted staffing standard to the work plan.

Adjourn 7:13 pm