

**WASHINGTON ELEMENTARY SCHOOL DISTRICT**  
**GOVERNING BOARD MINUTES: REGULAR MEETING**

2012-2013

July 12, 2012

Administrative Center  
Governing Board Room  
4650 West Sweetwater Avenue  
Glendale, AZ 85304-1505

**I. REGULAR MEETING – GENERAL FUNCTION**

**A. Call to Order and Roll Call**

Mr. Maza called the meeting to order at 7:01 p.m. Governing Board members constituting a quorum were present: Mr. Chris Maza, Mr. Bill Adams, Ms. Clorinda Graziano, Mr. Aaron Jahneke, and Mrs. Tee Lambert.

**B. Moment of Silence and Meditation**

Mr. Maza called for a moment of silence and meditation.

**C. Pledge of Allegiance**

Mr. Maza led the Pledge of Allegiance.

**D. Adoption of the Regular Meeting Agenda**

A motion was made by Mr. Adams that the Governing Board adopt the Regular Meeting Agenda. The motion was seconded by Mr. Jahneke. The motion carried.

**UNANIMOUS**

**E. Approval of the Minutes**

A motion was made by Mr. Jahneke that the Governing Board approve the Minutes of the June 28, 2012 Executive Session. The motion was seconded by Ms. Graziano. The motion carried. Mr. Adams abstained from the vote.

**UNANIMOUS**

A motion was made by Mr. Jahneke that the Governing Board approve the Minutes of the June 28, 2012 Regular Meeting. The motion was seconded by Ms. Graziano. The motion carried. Mr. Maza and Mr. Adams abstained from the vote.

**UNANIMOUS**

**F. Current Events: Governing Board and Superintendent**

Mr. Adams shared that he enjoyed attending the Arizona School Boards Association (ASBA) Board meeting and was impressed with the direction that ASBA is taking in regard to technology.

Mr. Adams acknowledged and thanked Ms. Graziano and Mrs. Lambert for attending the ASBA Delegate Assembly. Ms. Graziano represented the Governing Board as its delegate and Mrs. Lambert was the alternate delegate, as well as serving on the ASBA Legislative Committee.

Ms. Graziano shared that she had submitted the proposal to present “Energy Savings – It’s Easier Than You Think” at the December 2012 Arizona School Boards Association (ASBA) – Arizona School Administrators (ASA) Conference.

Mr. Jahneke acknowledged that Janet Beale, Student Service Specialist at Orangewood School, and Bob McAllister, retired music teacher from Palo Verde Middle School, had passed away. Mr. Jahneke shared that there were many complimentary comments regarding both of them on the AZ Central website telling how they impacted people’s lives in a positive manner.

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Mr. Maza acknowledged and welcomed several students from Northern Arizona University who were attending the Board meeting.

Mr. Maza shared that he enjoyed attending the National Education Association (NEA) Representative Assembly. He acknowledged the Washington District Education Association (WDEA) for sending Laurie Richards and Sandy Bogard to the event.

Dr. Cook shared that over 1,200 summer school students attended an Arizona Diamondbacks game on June 22, 2012 because the District had received the Extra Innings Diamondbacks Grant. Governing Board members were provided with a handout regarding the grant and advised that the handout was also sent to the Arizona Department of Education.

**G. Public Participation**

There was no public participation.

**H. Approval of the Consent Agenda**

**UNANIMOUS**

A motion was made by Mr. Adams that the Governing Board approve the Consent Agenda items as presented. The motion was seconded by Mr. Jahneke. The motion carried.

**II. CONSENT AGENDA**

**\*A. Approval/Ratification of Vouchers**

**UNANIMOUS**

Approved and ratified the vouchers as presented.

**\*B. Personnel Items**

**UNANIMOUS**

Approved the personnel items as presented.

**\*C. Public Gifts and Donations (The Value of Donated Items is Determined by the Donor)**

**UNANIMOUS**

Approved the public gifts and donations as presented.

1. Assistance League of Phoenix donated books with an approximate value of \$378.72 for the benefit of summer school students at Cactus Wren Elementary School.

2. Chaparral Elementary School Parent/Teacher Association donated a check in the amount of \$9,500.00 to be used toward the purchase of an electronic marquee.

**\*D. Extension and Renewal of Annual Contracts for Specified Goods and Services**

**UNANIMOUS**

**\*E. Annual Intergovernmental Cooperative Purchase Agreements with the State Procurement Office (SPO)**

**UNANIMOUS**

**III. RECESSING OF REGULAR MEETING FOR PUBLIC HEARING**

**IV. PUBLIC HEARING**

**A. Adopted Expenditure Budget 2012-2013**

Dr. Cook introduced Ms. Cathy Thompson who presented the 2012-2013 expenditure budget to the Board members for adoption. Ms. Thompson reviewed the adopted expenditure budget/proposed tax rates and reminded Board members that the proposed tax rates were estimates and would be set by the third week in August 2012. Ms. Thompson stated that the estimated secondary tax rate was higher due to the addition of the proposed sale of school improvement bonds. However, estimates indicate that the primary tax rate will decrease because equalization has come in higher than last year.

Mr. Jahneke asked a rhetorical question: Doesn't the 3% for Instructional Staff Support and 9% for Student Support Services (on the M&O/CSF Expense by Function chart) help student instruction, as well as direct classroom instruction. Ms. Thompson agreed with Mr. Jahneke's observation.

Mrs. Lambert noted that the Federal grant for Title I had been reduced by \$1 million. Ms. Janet Sullivan stated that the District received a Federal allocation of \$753,702.00 for Title I which was an 8% decrease from last year. Mrs. Lambert stated that she had heard about sequestration and that there was a possibility that additional Federal dollars could be lost. Ms. Sullivan said she had been advised there was a possibility of an additional 9% decrease for the 2012-2013 school year if Congress did not act on Federal funding for education.

Mr. Maza asked the following questions:

- When will the State budget for education be approved? Ms. Sullivan responded that the State education budget for the 2012-2013 school year was approved in May 2012.
- When will the Federal education budget be approved, e.g., all Title programs (Title I, Title II, etc.) and IDEA? Ms. Sullivan replied that the Federal education budget was expected to be approved in October 2012. However, if it was not approved in October, the District would see a decrease in Federal funding in January 2013. Mr. Maza commented that that possibility could create a delay in hiring personnel for Federally funded programs.
- Have you received information regarding the requirements for the new "Move on When Reading" initiative? Ms. Sullivan advised that she had seen a draft of the K-3 reading support plans that are going to be required of each of the District's 27 schools that provide instruction for K-3 students, as well as the District aggregate plan. She stated that the District's plan requires detailed information, e.g., K-3 literacy teams, what instructional materials will be used for core reading instruction, how many minutes of core reading instruction, what intervention services and materials are provided, what assessments are used for diagnostic progress monitoring/screening, etc. Ms. Sullivan said that the District will be required to submit data three times during the school year regarding benchmark progress of students in grades K-3 in the area of reading. She stated that at this time, no guidance had been provided as to how the money should be spent.
- Mr. Maza asked for clarification that any requirements regarding how the "Move on When Reading" money should be spent would be those requirements by the Arizona Department of Education, which is a State level agency, and not the local Governing Boards. Ms. Sullivan stated that was correct.
- Noticed a small increase in Soft Capital which was a restoration amount. What would the amount have been if the Legislature had restored all of the Soft Capital budget cut in the past few years? Ms. Thompson responded that it would have been approximately \$4.7 million.
- How much Soft Capital restoration money did the District receive this year from the Legislature? Ms. Thompson stated it received approximately \$800,000.00.
- There was a small increase in CORL which was a restoration amount. What would the amount have been if the Legislature had restored all of the CORL budget cut in the past few years? Ms. Thompson stated it would have been approximately \$4.7 million.
- How much CORL restoration money did the District receive this year from the Legislature? Ms. Thompson replied it received partial restoration of approximately \$2.7 million.

- How much is the budget for the 2012-2013 school year that comes from the one cent sales tax? Ms. Thompson stated she does not receive specific figures for the one cent sales tax because it is in the General Fund which funds the equalization. Mr. Maza asked if Ms. Thompson knew how much it was last year. Ms. Thompson replied that her approach regarding the one cent sales tax was that the District didn't receive more money, it just decreased the amount of budget reductions.
- How many years have we had the one cent sales tax? Ms. Thompson responded that this is the third year. Mr. Maza stated that it "sunssets" after this year.
- Did the public receive notification regarding the Public Hearing for the Expenditure Budget? Ms. Thompson advised that the District had published the Truth in Taxation Notice in the newspaper, as required. Mr. Maza stated it was unfortunate that the public would look at the taxation information and assume it was moving in one direction, but may have made that assumption on inaccurate data. Mr. Maza thanked Ms. Thompson for the accurate data she presented to the Governing Board.

There were no questions from the public.

#### **V. RECESSING OF PUBLIC HEARING FOR REGULAR MEETING**

#### **VI. ACTION / DISCUSSION ITEMS**

##### **A. Adopted Expenditure Budget 2012-2013**

**5-0 AYE**

Dr. Cook advised the Board that they were asked to adopt the Expenditure Budget for 2012-2013 as discussed in the Public Hearing.

Mr. Adams commented that it was unfortunate that the public did not attend the Public Hearing to receive the data and have the opportunity to ask questions.

A motion was made by Mr. Jahneke that the Governing Board adopt the 2012-2013 Proposed Budget and approve and verify the Desegregation Budget Supplement and Verification Report. The motion was seconded by Ms. Graziano. A roll call vote was requested. Motion carried 5-0.

##### **B. To Consider and, if Deemed Advisable, to Adopt a Resolution Ordering the Sale of School Improvement Bonds for the District**

**5-0 AYE**

Dr. Cook advised the Board that the District is proposing to sell School Improvement Bonds with the intention of expediting completion of some current projects, including the Lookout Mountain rebuild. Dr. Cook indicated that the District felt this was an appropriate time to sell the School Improvement Bonds in order to get a rate that would be favorable in a competitive environment. Dr. Cook introduced Ms. Cathy Thompson who stated that the District had not only strategically planned the repayment of the bonds in accordance with the bond pamphlet that was provided to the taxpayers when they approved the special bond election on November 2, 2010, but tried to maintain the similar tax levy every year.

Ms. Thompson introduced Mr. Bryan Lundberg of Stone and Youngberg who provided details of the School Improvement Bond sale. Mr. Lundberg advised the Board that the District was proposing the issuance and sale of \$20,000,000.00 in Class B bonds of the \$55,000,000.00 of bonds that remain authorized for sale, but not yet issued, under the 2010 School Improvement Bond Authorization. Mr. Lundberg stated that the bond sale would utilize a competitive sale process for underwriters through a bidding process. Mr. Lundberg stated that the Resolution delegated authority to the Governing

Board President or another Governing Board member in the absence of the Board President to give written award to the successful underwriter with the lowest interest rate on the date of the sale, eliminating the need to schedule a Governing Board meeting in coordination with a bond sale. Mr. Lundberg advised that the estimated interest rate for the sale of bonds was 4.00%-4.25%.

Mr. Adams asked the following questions:

- Are the bonds paid back through taxation? Mr. Lundberg replied yes and further advised that once the bonds were approved, there was basically a contract that the District had with the County Treasurer to levy a tax rate that was necessary to make all of the payments for the bonds.
- Is there a possibility that the District would collect more taxes than needed to pay the payments and interest. Mr. Lundberg responded that the County Treasurer sets the levy each year based on the historical delinquency amount. He stated that interest earned (which cannot be forecasted) could cause an excess of funds. If the amount collected was more than was needed in one year, the amount could be used to offset the levy in future years.
- Assumed that the delegation of authority to allow the Governing Board President or any Board member to give written award to the successful underwriter is within procurement guidelines. Mr. Lundberg replied that the process follows procurement guidelines.

Mr. Jahneke asked if the reason for more delegation of authority to Administration and the Governing Board President was because of the potential volatility with interest rates and trying to capture the best possible rate. Mr. Lundberg responded that the District was trying to gain more flexibility in not having to schedule the bond sale around a Governing Board meeting, given that there was not a scheduled Board meeting before the third Monday in August when the tax levy is set. Ms. Thompson stated that in order to meet the tax rate setting date, information had to be provided to the County Treasurer by the end of July.

Ms. Graziano asked the following questions:

- In addition to awarding the bond sale to the lowest interest rate bidder, was there any other monetary benefit for selling one large amount; do we save in underwriting fees or bond fees? Mr. Lundberg responded that there was an economy of scale in the issuance costs of larger amounts. He advised that there were fixed costs in the sale of bonds and if broken up into smaller amounts, there would be additional costs, e.g., printing, attorney fees, credit rating fees, etc. Therefore, there was a savings by combining the sale into one large amount.
- We are paying 4.0% interest plus \$350,000.00 (1.7% of bond principal). Is the \$350,000.00 in addition to the 4.0% or is it from the original amount? Ms. Thompson replied that the estimated fees are from the original proceeds at the time of the sale.
- When the \$20,000,000.00 bonds are sold, does the District receive the money in one lump sum? When funds are received, do they go into an interest bearing account or are the funds used before they can earn any interest? Mr. Lundberg stated that at the close of the bond sale, the County Treasurer would receive the funds and deposit it into the District's Bond Building Fund. The Treasurer has the authority to invest the funds, however, there are laws that limit the types of investments that may be used. Ms. Thompson stated that approximately \$12 million will be used for the Lookout Mountain rebuild. She advised that the earned interest does not get posted into the proceeds and cannot be spent. The interest money gets posted into the Debt Service Fund which helps reduce the amount that the taxpayers would pay in future years.

- Regarding the \$137.42 for School Improvement Bonds which taxpayers will be paying this year, will any of that be retiring next year and will the bond sale of \$20,000,000.00 be added to that? Ms. Thompson replied that a large portion of the bond debt will be retiring in five years. Ms. Thompson stated that the 1.37 tax rate pays for the \$16 million that must be paid every year. The goal is to keep the amount that the taxpayers pay at a similar rate every year. Ms. Thompson explained that although the tax rate may increase slightly, the levy amount will remain close to the same range.
- Asked for clarification regarding the statement on page 72: “Minimum Required Purchase Price: All proposals for the purchase of the bonds must be for at least \$20,300,000.00 (i.e., par plus \$300,000 premium paid to the District).” Mr. Lundberg stated that the intent of the District would be to sell \$20,000,000.00 principal amount for the bond sale. In accordance with the plan, there will be an amount added to the levy that the Treasurer will be setting on the third Monday in August, possibly \$400,000.00-\$500,000.00. Bidders will be asked to pay a minimum of \$20,300,000.00 when they pay for the bonds. The additional \$300,000.00 will be deposited into the District’s payment fund to assist when making the first payment and soften the levy for the first year.

A motion was made by Mr. Adams that the Governing Board adopt a Resolution ordering the sale of School Improvement Bonds for the District in the amount of \$20,000,000.00. The motion was seconded by Mrs. Lambert. A roll call vote was requested. The motion carried 5-0.

**C. Governing Board Argument for the Capital Override Election Pamphlet**

**UNANIMOUS**

Mr. Maza presented Governing Board members with a draft of the argument for the Capital Override election pamphlet which he prepared. He stated that the pro statements were due by August 10, 2012. Dr. Cook reported that the pro statement was limited to 200 words and that the draft statement had 196 words.

Mr. Maza suggested the following changes:

- Paragraph 1: Change “2012 world” to “world of 2012”.
- Paragraph 1: Add a comma after “or” in second sentence.
- Paragraph 1: Add a comma after “Then” in last sentence.

Mr. Adams commended Mr. Maza for the well written statement.

Mr. Jahneke stated it was difficult to express the need for the Capital Override election in only 200 words. He appreciated Mr. Maza’s efforts and the mention of the different communities within the school district. Dr. Cook pointed out that there was also a publicity pamphlet which clearly described the District’s need for the Capital Override election. She stated that the purpose of the Board’s pro statement was to support the need.

Mr. Maza asked how many pro statements the District was allowed to have. Dr. Cook responded that the District was allowed ten pro and ten con statements and the first ten pro and first ten con statements that were received would be published. Dr. Cook stated that the District’s website had a posting advising that the pro and con statements were due by August 10, 2012.

Ms. Graziano thanked Mr. Maza for preparing the statement and suggested a change to the first sentence of the third paragraph. After a discussion and suggestions by Board members, it was agreed that the sentence should read: “The WESD Governing Board requests your support with a “Yes” vote for our Capital Override.

Mrs. Lambert praised Mr. Maza's efforts on the statement and suggested changing "values" to "needs" in the second sentence of paragraph 1.

A motion was made by Ms. Graziano that the Governing Board approve an argument in support of the Capital Override to be included in the Publicity Pamphlet for the election to be held on November 6, 2012, as amended. The motion was seconded by Mrs. Lambert. The motion carried.

**VII. FUTURE AGENDA ITEMS**

There were no future agenda items.

**VIII. GOVERNING BOARD AND SUPERINTENDENT ACKNOWLEDGMENTS**

Ms. Graziano acknowledged Bob McAllister, retired music teacher from Palo Verde Middle School, who passed away and will be missed. She stated that he was a very well known middle school band teacher who was liked and respected. Ms. Graziano advised that many of his students were now music teachers and professional musicians and Mr. McAllister's legacy will live on. She stated that Mr. McAllister represented the District well in all of his professional activities.

**IX. ADJOURNMENT**

A motion was made by Mr. Adams to adjourn the Regular Meeting at 8:12 p.m. The motion **UNANIMOUS** was seconded by Mr. Jahneke. The motion carried.

**SIGNING OF DOCUMENTS**

Documents were signed as tendered by the Governing Board Secretary

Joyce Shiota  
BOARD SECRETARY

8/23/12  
DATE

Shawn Jahneke  
BOARD OFFICIAL

08-23-12  
DATE