

WASHINGTON ELEMENTARY SCHOOL DISTRICT

GOVERNING BOARD MINUTES: REGULAR MEETING AND EXECUTIVE SESSION

2012-2013

February 28, 2013

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 asked Dr. Craig Carter, Director of Special Services, to lead the Pledge of Allegiance.

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

A motion was made by Mr. Adams that the Governing Board adopt the Amended Regular Meeting Agenda. The motion was seconded by Ms. Graziano. 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 February 14, 2013 Executive Session and Regular Meeting. The motion was seconded by Mrs. Lambert. The motion carried. Ms. Graziano abstained from the vote.

UNANIMOUS

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

Ms. Graziano shared she enjoyed attending the following events:

- District Spelling Bee and congratulated the contestants and Regional Spelling Bee winners.
- Mountain Sky Junior High School Choral Festival.
- Business Advisory Team meeting and meeting Lattie Coor. Thanked Jill Hicks and her team for their efforts.
- All-State Jazz Band Music Festival of Performance.
- Arizona Music Educators Association “Hall of Fame” Luncheon. Jackie Thrasher, former District music teacher, was honored with the Raymond G. Van Diest Arts Advocacy Award.
- Arizona Music Educators Association Conference. Three District music teachers (Jason Neumann, Amy Pennick, Amy Spears) were presenters at breakout sessions.
- Sunburst Elementary School Concert.
- Washington Education Foundation Bowl-a-Thon
- District’s Honor Orchestra rehearsal and concert. Ms. Graziano thanked the conductors, teachers, principals, and Sandy Dyke for attending.

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- High School Southwest Region Music Festival. Ms. Graziano acknowledged that there were many former Washington Elementary School District students who participated in the high school All-State Jazz and Regional Festivals.
- Maryland School K-2 Concert.
- Elementary and Junior High School All-State Choir and Strings. Ms. Graziano acknowledged that Darrin Squire, music teacher at Cholla Middle School, is the State Chairman for the All-State Mixed Choir. Ms. Graziano thanked Arroyo, Cholla, Mountain Sky, and Sunset schools' students and teachers for participating.
- Desert Foothills Junior High School Band Festival.
- Royal Palm Middle School Strings Festival.

Ms. Graziano thanked Thunderbird, Washington, and Greenway High Schools for hosting several of the District Festivals listed above.

Ms. Graziano congratulated Mya Proctor, Lookout Mountain 2<sup>nd</sup> grade student, who placed second in the Martin Luther King bookmark contest. She also thanked Miller Baker, Lookout Mountain 2<sup>nd</sup> grade student, and Sharon Sauer, art teacher at Lookout Mountain for the 2013 artists' calendar.

Ms. Graziano thanked the Washington District Education Association (WDEA) and the District for the Cat in the Hat stuffed animal and looked forward to attending the Read Across America event on March 1, 2013.

Dr. Cook introduced Maryland School Principal, Ms. Barbara Newman who, in turn, introduced Ms. Joan Rolfes, Maryland School Program Coach. Ms. Rolfes shared how they had designed their professional development to implement the Arizona Language Arts and Mathematics Common Core Standards.

**G. Special Recognition**

Dr. Cook introduced Moon Mountain Elementary School Principal, Ms. Sue Brown who, in turn, introduced Ms. Gail Hayes, Moon Mountain Elementary School CCB teacher. Ms. Brown recognized that Ms. Hayes had been selected as a 2012 "MVP in the Classroom" by the University of Phoenix. Ms. Brown stated that she was impressed with everything that Ms. Hayes did in the classroom, as well as her advocacy for children with special education needs in the community. Ms. Hayes was presented with a certificate.

**H. Public Participation**

There was no public participation.

**I. Approval of the Consent Agenda**

Mrs. Lambert requested that Item II.E. – Second Reading and Adoption of Proposed Amended Board Policy IHAMB – Family Life Education be pulled from the Consent Agenda for separate consideration.

**UNANIMOUS**

A motion was made by Mr. Jahneke that the Governing Board approve the remaining Consent Agenda items. The motion was seconded by Ms. Graziano. 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. Orangewood Parent/Teacher Association donated a check in the amount of \$577.56 to be used for a field trip for 4<sup>th</sup> grade students.
  2. Arizona Science Center donated a check in the amount of \$486.00 to be used for a field trip to the Science Center for 1<sup>st</sup> grade students at Ironwood Elementary School.
  3. Sigma Alpha Iota donated two drums and 30 pairs of drumsticks with an approximate value of \$345.91 to be used for the music students at Arroyo Elementary School.
  4. Sunset Parent/Teacher Organization donated a SMART Board with an approximate value of \$3,524.00 to be used for the benefit of students.
  5. Mountain View Parent/Teacher Organization donated a check in the amount of \$604.13 to be used for supplies and field trips for 4<sup>th</sup> grade students.
  6. Hannah's Oboes LLC donated two clarinets and one saxophone with an approximate value of \$1,300.00 to be used for the benefit of instrumental music students at Washington Elementary School.
  7. Moon Mountain Student Council donated 22 bulletin boards with an approximate value of \$4,029.27 to be used for every teacher to display student work.
- \*D. Out-of-State Travel **UNANIMOUS**  
Approved the out-of-state travel as presented.
1. Valerie Miles, computer teacher at Northwest Christian School, to attend the CUE (Computer Using Teachers, Inc.) Conference, March 13-16, 2013, in Palm Springs, CA, at a cost of \$777.00.
  2. Melanie Ketterling, 2nd grade teacher at Northwest Christian School, to attend the Orton-Gillingham Comprehensive Training, April 7-12, 2013, in Denver, CO, at a cost of \$2,152.45.
  3. Kathy Ann Ditsch, Routing Supervisor, Leigh Ann Baker, Router, and Audrey Mae Alexander, Director of Transportation, to attend the Edulog Training Conference, April 14-18, 2013, in Clark County, NV, at a cost of \$3,360.00.
  4. Lisa Ehlers, 8<sup>th</sup> grade teacher at Northwest Christian School, to attend the International Society for Technology in Education – ISTE Conference, June 22-26, 2013, in San Antonio, TX, at a cost of \$1,814.00.

5. Connie Parmenter, Director of Nutrition Services, to attend the K-12 Connect Conference, March 9-12, 2013, in Denver, CO, at no cost to the District.

\*E. Second Reading and Adoption of Proposed Amended Board Policy IHAMB – Family Life Education **UNANIMOUS**

A motion was made by Mrs. Lambert that the Governing Board approve the Second Reading and Adoption of Proposed Amended Board Policy IHAMB – Family Life Education. The motion was seconded by Mr. Jahneke. The motion carried.

Mrs. Lambert said that the policy stated that instruction would be provided during the day and asked if the instructional information would be provided during after-school programs. Dr. Cook replied that the District had a large number of 21<sup>st</sup> Century after-school programs which are instructional; the policy would apply to these programs.

Mrs. Lambert asked if the policy was amended due to a change in statute. Dr. Cook responded that the amended policy used exact verbiage from the statute adopted by the legislature last year.

\*F. Second Reading and Adoption of Proposed Amended Board Policy IHBCA – Programs for Pregnant/Parenting Students **UNANIMOUS**

\*G. Second Reading and Adoption of Proposed Amended Board Policy IHBE – Bilingual Instruction/Native Language Instruction **UNANIMOUS**

\*H. Clinical Affiliation Agreement with A.T. Still University for Student Field Placement – Occupational Therapist **UNANIMOUS**

\*I. Clinical Affiliation Agreement with Brown Mackie College for Student Field Placement **UNANIMOUS**

### III. ACTION / DISCUSSION ITEMS

A. **Head Start Update, Philosophy, Long-Range and Short-Range Goals, and Self-Assessment Plan** **UNANIMOUS**

Dr. Cook advised the Governing Board that a Federal regulation requires the Governing Board to annually review and approve Head Start Program philosophy, long-range and short-range program goals, and the self-assessment process. Dr. Cook introduced Ms. Diana Howsden, Director of Head Start Services who, in turn, introduced Ms. Michaele Pilsbury, Head Start Program Coordinator. Ms. Howsden provided an update about the District's Head Start Program and Ms. Pilsbury provided a presentation about the self-assessment process.

The Governing Board was advised that its approval of the District's Head Start philosophy, long-range and short-range goals, and self-assessment plan was necessary for the District to remain eligible to receive Head Start funding through the City of Phoenix and important in the periodic audit/review process. The Governing Board was also advised that the Head Start Performance Standards, which are rigorously enforced by the City of Phoenix Grantee personnel, required the Governing Board's review and approval.

Ms. Graziano asked for clarification on the enrollment information of 588 children - funded enrollment and 697 children – actual enrollment. Ms. Howsden responded that if a student withdraws from the program, they have 30 calendar days to replace him/her. Head Start would provide funding for 588 children, however, because of

the timing of withdrawals and replacement, there could actually be 697 children enrolled throughout a year.

Ms. Graziano asked if a student was identified as special needs with an IEP, was the IEP transferred with the student to kindergarten? Ms. Howsden replied that the IEP went with the student and transition meetings were held with no further testing required.

Mr. Adams thanked Ms. Howsden and Ms. Pilsbury for their efforts and the presentation.

Mrs. Lambert stated that she had represented the Governing Board on the Head Start Communication Committee for several years and appreciated that the main focus of the program was the children and their families. She thanked Ms. Howsden and Ms. Pilsbury for their efforts in preparing the students to enter school with the skills needed to succeed. Mrs. Lambert advised she was impressed with the way they worked with the parents and got them involved. Mrs. Lambert commended them for their efforts in the time-consuming task of preparing the reports and thanked them for a job well done.

Mr. Maza stated that he appreciated Mrs. Lambert's comments and hoped that the Arizona communities embraced the importance of early childhood education for preschool and kindergarten. Mr. Maza thanked Ms. Howsden and Ms. Pilsbury for the comprehensive report and the important data.

A motion was made by Mrs. Lambert that the Governing Board approve the Preschool/Head Start Philosophy, the Head Start Long-Range and Short-Range Goals and the Self-Assessment Plan. The motion was seconded by Mr. Adams. The motion carried.

#### **IV. INFORMATION / DISCUSSION ITEM (moved at discretion of Chair)**

##### **A. Review of 2011-2012 Single Audit**

Dr. Cook introduced Ms. Cathy Thompson, Director of Business Services, who, in turn, introduced Mr. Dennis Osuch from the auditing firm of CliftonLarsonAllen. Ms. Thompson advised the Board that since the District exceeded the threshold of federal award expenditures, it was required to obtain an annual single audit for the 2011-2012 fiscal year.

Mr. Osuch reviewed the communication to Governance, Single Audit, Uniform System of Financial Records (USFR) Questionnaire, and the Comprehensive Annual Financial Report.

Mr. Osuch reported that the USFR Questionnaire was 33 pages and the District only had eight findings. He stated that for the size of this District, it was very rare to have such few findings. Mr. Osuch said it was a testament to the District's employees and how well the control structures were in place. He reported that the District had taken measures to review the areas in question.

Mr. Osuch stated that the Comprehensive Annual Financial Report was a report on the financial activity of the District for the year. He acknowledged that the District had received awards from the Association of School Business Officials (ASBO) and the Government Finance Officers Association of the United States and Canada (GFOA) for its excellence in financial reporting for the fiscal year ending June 30, 2011. Mr. Osuch reported that the District's Comprehensive Annual Financial

Report for fiscal year ending June 30, 2012 had been submitted to ASBO and GFOA and that he expected the District to receive the awards again.

Mr. Jahneke stated that in the past, there were issues with sites not making cash deposits in a timely manner and did not see an audit finding this year. Mr. Osuch responded that the District had been very proactive and had met with schools to correct the past issue. Mr. Osuch reported that deposits were now made in a timely manner which was a testament to the internal audit functions in place.

Ms. Graziano was very pleased with the reports and thanked Ms. Thompson and her team for a job well done with no noncompliance issues and no material weaknesses. Ms. Graziano noted that all of the findings were minor issues that the District had addressed. She commented that she had also noticed that the cash deposit issue had improved from last year.

Mr. Adams commended and thanked the District, Ms. Thompson and her team for the reports.

Mr. Maza thanked Ms. Thompson, Mr. David Velazquez, Director of Finance, Ms. LeeAnn Gallagher, Internal Auditor, and everyone involved with the reports for a job well done. Mr. Maza thanked Mr. Osuch for the presentation.

Ms. Gallagher reported that the school sites had been working very hard on the cash deposit issue and were doing a wonderful job to ensure that deposits were made on time.

### **III. ACTION / DISCUSSION ITEMS (continued)**

#### **B. Discussion, Consideration and Possible Approval of Direction to the Employee Benefit Trust (EBT) Regarding the Employee Benefits Plan for 2013-2014**

**UNANIMOUS**

Dr. Cook advised the Board that it was being asked for direction for the Employee Benefit Trust (EBT) regarding a funding level for the Employee Benefits Plan for 2013-2014. She stated that the agenda item was only for direction and a recommendation would be presented to the Governing Board prior to open enrollment. Dr. Cook introduced Mr. Rex Shumway, Legal Counsel, to provide a summary of the information.

Mr. Shumway summarized the status of the EBT Health Plans through January 2013 and the Preliminary Budget Projections for 2013-2014 that were reviewed at the February 19, 2013 meeting of the EBT. Mr. Shumway advised that the three plans were performing as projected.

Mr. Shumway reported that there was a \$637,050.00 surplus for the 2012-2013 plan year (seven months data) and a \$2.8 million unreserved fund balance which should be a sufficient contingency reserve to have for next year without an increase to employee contributions. Mr. Shumway stated that the District had been able to maintain the funding level with no increase to employees for the past four years which was a tribute to the management of the plan. He stated that there was no plan to change the Employee Benefits Plan design and the Administration was recommending that the District keep the same funding level as in the past four years.

Ms. Graziano referred to the verbiage in the Recommendation that states, "with any additional funding to come from increased PPO Buy-Up revenue" and asked for clarification where the revenue would come from, e.g., employee contributions or

plan excess revenue? Mr. Shumway stated that the employee cost for the PPO Buy-Up Plan was \$47.89/month for the 2012-2013 fiscal year. Mr. Maza, who is a member of the EBT, advised that the Health Insurance Committee had met earlier that day and had a discussion that it might need to consider the possibility of increasing the PPO Buy-Up employee contribution rate because it was the plan that was performing with a large deficit. EBT would examine what the price point would be to make the plan more cost effective. Mr. Maza advised that the recommendation suggested that there could be potential conversation at a future Governing Board meeting regarding additional funding coming from increased PPO Buy-Up revenue, as well as, potential conversation for additional funding coming from excess contingency reserves of the EBT. Mr. Maza stated that the recommendation was asking the Board to maintain the same funding level of District contributions as the past four years.

Ms. Graziano stated she was opposed to increasing the employee contribution cost. She asked what caused the large deficit. Mr. Shumway replied that the deficiency was caused by the high number of users (608 employees) in the PPO Buy-Up Plan and generating more than \$1 million in claims than the other plans who have 1,600 employees. Ms. Graziano stated that if the 608 employees were in the other plans, they would still have the same claims and those plans could possibly perform with a deficit. Mr. Shumway advised that all of the plans had different strategies built into them and the cost was based on price point and would be evaluated on the value of the plan.

Mr. Adams advised that the Summary of Total Plan Costs indicated that, overall, the plans were performing well and the Trust was healthy. Ms. Graziano acknowledged that she understood. Mr. Shumway stated that the deficit of the PPO Buy-Up Plan was anticipated, however, the issue was whether the plan was priced correctly based on what the plan provided.

Mr. Maza stated that he fully understood the sensitivity of the topic and that Ms. Graziano's viewpoint was duly noted. He reiterated that the recommendation did not necessarily mean that the Trust Board was going in that direction, but anticipated there would be conversation on the topic. However, if the plans were not well managed, the Trust could be put at risk. Mr. Maza restated Mr. Shumway's comments that the PPO Buy-Up Plan was performing with extreme volatility from one month to the next and that it was up to the Trust Board and Governing Board to manage the plan in a responsible manner.

Ms. Graziano said it appeared that The Segal Company's preliminary budget projections were not as bad as projected in past years. Ms. Graziano's concern was that the District made huge changes to the plans last year that impacted what employees were paying, with no increase in salary. Since the data was for seven months and not a full year, Ms. Graziano asked that the Trust Board not consider increasing employee costs as a first option. Mr. Maza responded that Ms. Graziano's point was taken, however, to have that discussion would have been a non-agenda item at that time and asked that there not be a discussion regarding increasing the employee costs. Ms. Graziano stated that she wanted the phrase "increased PPO Buy-Up revenue" removed from the recommendation motion. Mr. Maza stated that there could be a discussion after the motion was made.

Mrs. Lambert asked for clarification that the agenda item was to give direction to the Trust Board to move forward to create an Employee Benefits Plan for 2013-2014 and establish contribution costs. If the Trust Board recommendation was presented to the Governing Board with some of the fears that Ms. Graziano had

expressed, e.g., increased employee costs, the Governing Board could then have further discussion to possibly alter the contribution. Therefore, the agenda item was to give direction to the Trust Board to proceed, keeping in mind that the Governing Board had concerns in keeping the impact to employees at a minimum. When the Trust Board recommendation was presented, there could be further discussion, as needed. Mr. Maza stated that Mrs. Lambert's observations were correct.

Mr. Adams asked Ms. Graziano what verbiage she wanted removed from the recommendation. Ms. Graziano replied that she wanted "increased PPO Buy-Up revenue" removed in reference to where additional funding would come from.

Mr. Maza asked Mr. Shumway and Dr. Cook if the verbiage were deleted from the recommendation, was it correct that it would not preclude any future conversation on the subject. Mr. Shumway responded that Mr. Maza was correct. Mr. Shumway advised that the Governing Board would be providing the Trust Board with direction. The Trust Board would then present the Governing Board with an appropriate recommendation based on how it was managing the plan.

Mrs. Lambert stated that if the verbiage that Ms. Graziano asked to have removed from the recommendation was deleted, she did not want the consideration of using excess contingency reserves to be excluded from the discussion by the Trust Board when it developed the plan. Mr. Shumway advised that the excess contingency reserves would be in the discussion by the Trust Board, as it had in the past.

A motion was made by Mr. Maza that, based on the current revenue projections and budget limitations, the Governing Board direct the Employee Benefit Trust (EBT) to formulate an employee benefits plan recommendation for 2013-2014 that maintains the same level of District contributions as provided in the 2012-2013 plan in the amount of \$5,046.48 per employee, with additional funding to be discussed in upcoming meetings which will include excess contingency reserves of the EBT. The motion was seconded by Mrs. Lambert. The motion carried.

Mr. Adams asked for clarification that with the removal of the verbiage, "with any additional funding to come from increased PPO Buy-Up revenue", the Trust Board would be able to have a discussion and consider it as an option if deemed necessary to manage the plan. Mr. Shumway stated that the Trust Board would be able to have the discussion.

Mr. Maza thanked his fellow Trust Board members for their work on the Trust Board to handle difficult discussions. Mr. Maza stated he appreciated that he represented the Washington Elementary School District that continued to offer a PPO Buy-Up Plan because not all districts offer the plan to its employees.

#### **IV. INFORMATION / DISCUSSION ITEM**

##### **A. Review of 2011-2012 Single Audit**

At the discretion of the chair, Mr. Maza moved IV. – Information / Discussion Item, IV.A. – Review of 2011-2012 Single Audit, before Item III.B. – Discussion, Consideration and Possible Approval of Direction to the Employee Benefit Trust (EBT) Regarding the Employee Benefits Plan for 2013-2014.

#### **V. FUTURE AGENDA ITEMS**

Ms. Jahneke asked the District to consider becoming a member of the Traffic Safety Coalition Partnership, a non-profit organization that promotes traffic safety.



**VI. GOVERNING BOARD AND SUPERINTENDENT ACKNOWLEDGMENTS**

Mr. Adams acknowledged and thanked the EBT Board for their efforts and doing a good job of managing the plans in a responsible manner.

Mrs. Lambert acknowledged the level of detail of the reports presented and thanked everyone involved in them, e.g., Head Start, Audit Reports, and EBT.

Mrs. Lambert acknowledged Ms. Graziano for her time in supporting the school events. Ms. Graziano stated she was happy to be able to represent the Governing Board at the school events to show them that it cared.

Mrs. Lambert acknowledged Ms. Graziano's level of detail when reviewing the agenda items.

Mr. Maza acknowledged the Governing Board and thanked audience members for their regular attendance at the Governing Board meetings. Mr. Maza stated that it was important to put serious conversation and serious thought into serious decisions.

**VII. CALL FOR EXECUTIVE SESSION**

**UNANIMOUS**

Call for Executive Session: Pursuant to A.R.S. §38-431.03 – A.5

It was recommended that the Governing Board establish an Executive Session to be held immediately during a recess in the Regular Meeting for:

- A.5 - Discussions or consultations with the designated representative of the public body in order to consider its position and instruct its representatives regarding negotiations with employee organizations regarding the salaries, salary schedule, or compensation paid in the form of fringe benefits of employees of the public body – specifically regarding the 2012 Interest-based Negotiation (IBN) process.

A motion was made by Mrs. Lambert to call for an Executive Session. The motion was seconded by Mr. Adams. The motion carried.

**VIII. RECESSING OF REGULAR MEETING FOR EXECUTIVE SESSION**

**IX. EXECUTIVE SESSION – GENERAL FUNCTION**

A. Call to Order and Roll Call

B. Confidentiality Statement

All persons present are hereby reminded that it is unlawful to disclose or otherwise divulge to any person who is not now present, other than a current member of the Board, anything that has transpired or has been discussed during this executive session. To do so is a violation of ARS §38-431.03 unless pursuant to a specific statutory exception.

C. Discussion under A.R.S. §38-431.03 – A.5

- A.5 – Discussions or consultations with the designated representative of the public body in order to consider its position and instruct its representatives regarding negotiations with employee organizations regarding the salaries, salary schedule, or compensation paid in the form of fringe benefits of employees of the public body – specifically regarding the 2012 Interest-based Negotiation (IBN) process.

**X. RECONVENING OF REGULAR MEETING**

**XI. ADJOURNMENT**

**UNANIMOUS**

A motion was made by Mrs. Lambert to adjourn the meeting at 9:12 p.m. The motion was seconded by Ms. Graziano. The motion carried.

**SIGNING OF DOCUMENTS**

Documents were signed as tendered by the Governing Board Secretary

Joyce Shiota 3/14/13  
BOARD SECRETARY DATE

Dawn Gabrielle 03/14/13  
BOARD OFFICIAL DATE