

WASHINGTON ELEMENTARY SCHOOL DISTRICT

GOVERNING BOARD MINUTES: REGULAR MEETING AND EXECUTIVE SESSION

2012-2013

June 27, 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 7:00 p.m. Governing Board members constituting a quorum were present: Mr. Bill Adams, Mr. Aaron Jahneke, and Mrs. Tee Lambert. Mr. Chris Maza participated telephonically. Ms. Clorinda Graziano was not in attendance.

**B. Moment of Silence and Meditation**

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

**C. Pledge of Allegiance**

Mr. Maza asked Mr. Jahneke to lead 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, with flexibility. 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 13, 2013 Regular Meeting. The motion was seconded by Mrs. Lambert. The motion carried.

UNANIMOUS

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

Mr. Adams shared that he attended the Arizona School Boards Association (ASBA) Board Meeting. He shared that ASBA has many exciting things happening and was proud of the direction that the Association was going. Mr. Adams thanked the Board members for their support of ASBA.

Mrs. Lambert shared that Palo Verde Middle School presented at the Arizona Department of Education (ADE) Leading Change Conference recently held in Tucson, Arizona. Mrs. Lambert advised that she had heard excellent reports regarding Palo Verde's workshop and congratulated them on their hard work.

Mr. Maza shared that he was in Atlanta, Georgia, attending the National Council of Urban Education Associations (NCUEA) meeting. Mr. Maza met with Mr. Dennis Van Roekel, President of the National Education Association (NEA), who is a constituent in the Washington Elementary School District. Mr. Maza advised that the NCUEA meeting would transition to the NEA National Convention beginning July 1, 2013 in Atlanta, Georgia, which he will also attend.

**G. Public Participation**

There was no public participation.

June 27, 2013

- H. Approval of the Consent Agenda** **UNANIMOUS**  
A motion was made by Mr. Jahneke that the Governing Board approve the Consent Agenda items as presented. The motion was seconded by Mrs. Lambert. 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. Out-of-State Travel **UNANIMOUS**  
Approved the out-of-state travel as presented.
1. Debbie Gasiorek, Nutrition Services Supervisor, to attend the School Nutrition Association Annual National Conference, July 13-17, 2013, in Kansas City, MO, at no cost to the District.
- \*D. Award of Contract – Bid No. 13.012, Art Supplies **UNANIMOUS**
- \*E. Award of Contract – Bid No. 13.011, Warehouse, School and Office Supplies **UNANIMOUS**
- \*F. Annual Intergovernmental Cooperative Purchase Agreements with Mohave Educational Services Cooperative (MESC) to Utilize Contract with H2 Group to Oversee Bond Construction Projects **UNANIMOUS**
- \*G. Annual Intergovernmental Cooperative Purchase Agreements with the State Procurement Office (SPO) and Mohave Educational Services Cooperative (MESC) **UNANIMOUS**
- \*H. Sole Source Vendors **UNANIMOUS**
- \*I. Student Activity Treasurer for 2013-2014 **UNANIMOUS**
- \*J. Petty Cash Accounts for 2013-2014 **UNANIMOUS**
- \*K. Extracurricular Fee Schedule for 2013-2014 **UNANIMOUS**
- \*L. Reauthorization of Revolving and Change Funds for 2013-2014 **UNANIMOUS**
- \*M. Reauthorization of Bank Accounts and Signers **UNANIMOUS**
- \*N. Resolution Appointing the Maricopa County Superintendent of Schools as the Chief Disbursing Officer for Wage Garnishments **UNANIMOUS**
- \*O. Resolution Authorizing the Execution of Warrants Between Board Meetings **UNANIMOUS**
- \*P. Signatories for Payroll and Expense Warrants for 2013-2014 **UNANIMOUS**
- \*Q. Acceptance of the United States Tennis Association (USTA) Southwest Grant in the Amount of \$1,200.00 **UNANIMOUS**
- \*R. Affiliation Agreement to Provide Meals to ACCEL School **UNANIMOUS**

- |  |           |
|--|-----------|
| *S. Affiliation Agreement to Provide Meals to Gomper's Habilitation Center   | UNANIMOUS |
| *T. Renewal of Lease Agreements with Faith United Methodist Church and Royal Palm Baptist Church for 2013-2014       | UNANIMOUS |
| *U. Renewal of Lease Agreement with VALLEYLIFE   | UNANIMOUS |
| *V. Agreement with <i>Interlingua</i> to Provide Spanish Classes to MAP Center Students at Sahuaro Elementary School | UNANIMOUS |
| *W. First Reading of Proposed Amended Board Policy JK – Student Discipline   | UNANIMOUS |

### III. ACTION / DISCUSSION ITEMS

- |  |           |
|--|-----------|
| <b>A. To Consider and, if Deemed Advisable, Adopt a Resolution to Authorize the Sale of Tax Anticipation Notes by the District</b> | UNANIMOUS |
|--|-----------|

Dr. Cook introduced Ms. Cathy Thompson who advised the Board that during the last few years, the District's cash flow shortages were due to the rollover of payments from the State of Arizona. Ms. Thompson introduced Mr. Bill Davis from Piper Jaffray and Company to review the Tax Anticipation Note Program (TANS) and its benefits.

Mr. Davis advised the Board that the District issued \$12 million in TANS last year. The proceeds were deposited into the District's account at the County Treasurer's office and used to cover cash flow deficits.

Mr. Davis stated that the Resolution offered to the Board was virtually identical to last year's approved Resolution authorizing the purchase of TANS not to exceed \$12 million. Mr. Davis advised that if TANS were approved, the Maricopa County Treasurer would purchase the tax anticipation notes which would allow the District efficiencies and cost reductions, as well as competitive interest rates.

Mr. Davis reported that last year's interest rate was .62% and provided a preliminary benefit summary which indicated an estimated net benefit for the District of \$12,702.00. Mr. Davis stated that the interest rate for this year would be near or below .75%.

Mrs. Lambert asked the following questions:

- Stated she had heard that the first State payment would arrive sooner than in the past and asked if that was fact. Ms. Thompson reported that the District is scheduled to receive the first payment by July 12, 2013. Ms. Thompson stated that in the past, the District received a partial payment the beginning of July and the remainder at the end of July or early August.
- Stated that the rollovers cause a postponement/delay in receiving payment, however, asked if the District received all of its funding by the end of the year. Ms. Thompson replied that the District had previously received the total funding by August 29 of each year.
- Asked if the District would have a need to issue tax anticipation notes if the State did not rollover payments. Mr. Davis responded that if the District's cash flows were exactly the same as this fiscal year and the State did not rollover payment, then the District would not need tax anticipation notes. Mr. Davis stated that the District's revenue was from two primary sources – State aid revenue and property taxes. He advised that property tax revenue was paid on November 1 and May 1 which could also cause cash flow deficits for the District.

Mrs. Lambert stated she was grateful to have a venue to not put the District in fiscal jeopardy. She thanked Mr. Davis for the information and his work for the District.

A motion was made by Mrs. Lambert that the Governing Board authorize the sale of tax anticipation notes by the District and the execution of all documents related to the sale. The motion was seconded by Mr. Adams. The motion carried.

**B. Proposed Expenditure Budget for Fiscal Year 2013-2014**

**UNANIMOUS**

Dr. Cook advised the Board that it was being presented with the Proposed Expenditure Budget for 2013-2014. Dr. Cook introduced Ms. Cathy Thompson to provide highlights of the proposed expenditure budget. Dr. Cook advised the Board that the actual expenditure budget would be on the agenda for action on July 11, 2013.

Ms. Thompson reviewed the proposed budget and advised that the budget did not include an adjacent ways levy, nor publication cost associated with it. Ms. Thompson reported that the primary tax rate was \$3.08 for every \$100 of assessed value of a home and the secondary tax rate was \$2.97 for every \$100 of assessed value of a home.

Mr. Jahneke asked if the increase in primary tax rates was associated to the assessed values of homes. Ms. Thompson stated that as assessed values decreased, the tax rates increased.

Mr. Jahneke asked if the District received less State equalization funding as the District's Average Daily Membership (ADM) increased. Ms. Thompson stated that the District's State equalization funding had increased. She advised that in the last 4-5 years, there had been a shift for taxpayers, e.g., decreasing for commercial and increasing for homeowners. Ms. Thompson reported that it was very difficult to identify a single variable that increases the tax rate, as there are many.

A motion was made by Mr. Adams that the Governing Board approve the Proposed Expenditure Budget for 2013-2014 and authorize publication of the summary and the notice of public hearing. The motion was seconded by Mrs. Lambert. The motion carried.

**IV. INFORMATION / DISCUSSION ITEM (moved at discretion of the chair)**

**A. Governing Board Argument for the Capital Override and M&O Override Election Pamphlets**

Mr. Maza stated that the Governing Board had approved calling for a Capital Override and M&O Override Election at the June 13, 2013 Governing Board meeting. Mr. Maza reported that the Governing Board had the opportunity to prepare and submit an argument for the override election pamphlets. He asked the Board for direction and interest in preparing the arguments to be presented on the July 11, 2013 agenda for action.

Mrs. Lambert volunteered to prepare the arguments for the override election pamphlets, with Board member input.

Mr. Maza asked Board members if they had any input for Mrs. Lambert to capture for the arguments.

Mr. Jahneke and Mr. Adams stated it would be helpful to have a copy of the argument used in the capital override election pamphlet from the previous year. Mr. Maza stated that it would be provided.

Mrs. Lambert asked that Board members provide their input to Dr. Cook who could forward it to Mrs. Lambert. Mr. Maza asked Board members to give their ideas/suggestions to Dr. Cook by Monday, July 1, 2013.

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

#### **C. Authorization to Charter Five Charter Schools within WESD Boundaries**

**UNANIMOUS**

Mr. Maza called for a recess of the regular meeting in order to conference call Ms. Graziano who was in London, England. Several attempts were made to reach Ms. Graziano by conference call and texts.

Dr. Cook advised the Board that the District was presenting a Resolution for its consideration regarding the District's sponsoring of five of its schools as District-Sponsored Charter Schools. Dr. Cook stated there are three primary reasons for this action:

- The State of Arizona and the WESD Governing Board had always supported school choice. The Governing Board's policies reflect its interest in school choice.
- All of the Board's decisions in the past several years, in addition to its policies, support a wide variety of programs and options.
- The District could pursue additional funding if the Board approved the Resolution.

Dr. Cook advised that there are three major challenges associated with the Resolution:

- There could always be a legal challenge to any decision.
- There are questions regarding the ability to bond for these five schools in the future. However, current bond money would be able to be used on the five schools noted on the Resolution.
- This is a long-term commitment.

Dr. Cook introduced Dr. Debbi Burdick, Superintendent of the Cave Creek Unified School District, whose district had District-Sponsored Charter Schools and was available to answer questions from the Board.

Mrs. Lambert appreciated the hard work that went into preparing this agenda item. Mrs. Lambert stated that she was the Board member who initiated this because she was trying to think outside the box and realized there could be challenges. Mrs. Lambert made the following comments and asked the following questions:

- She stated that the five schools in question were relatively new and any needs were being addressed by the current bond money. She asked if there were other venues to pursue for building needs, e.g., a capital override, in the event the schools should have future needs. Dr. Cook responded that current bond money could be repositioned if there were needs at any of the five schools. Dr. Cook stated that possibly only one of the schools would fall into that category. Ms. Thompson replied that it would be possible to call for a capital override election, however, they were difficult to get passed. Ms. Thompson stated that there were several other options that could possibly be pursued to meet building needs.

- Asked if there would be any changes to the schools that would affect how they operate if this were to be approved. Dr. Cook responded that there were no operational changes according to the District's reading of the statute and guidance documents. Dr. Cook advised that communication could possibly be a challenge, however, the District was prepared and ready to begin that communication.
- There was always a risk when making a change, however, this was a way to bring additional revenue to our District to help meet the needs of our students and our staff. There were risks because we do not know what the Legislature plans to do.
- She hoped that these measures would speed up the conversation at the State level of equitable funding for schools, no matter what type of school a student attends.
- Thanked Dr. Burdick for speaking to her last year regarding District-Sponsored Charter Schools.

Mr. Adams made the following statements and asked the following questions:

- Stated he was excited about this opportunity. He reported that he reached out to individuals in the industry regarding this subject and received positive feedback. Mr. Adams was thankful for the due diligence that had been done, but was concerned that the parents did not know this was happening. He appreciated that the District was ready with the communication piece to notify parents about what the District was doing and why it was doing it. Mr. Adams stated he was nervous, but knew that the Board would make the decision with the children's and community's best interest at heart.
- Asked if Dr. Burdick could provide some insight regarding her district's successes and landmines. Dr. Burdick advised that it was difficult to discuss landmines because her district had not found any and could not provide any negative feedback. Dr. Burdick stated that the Cave Creek Unified School District had changed four of its five schools to District-Sponsored Charter Schools last year. She reported that there were many concerns and questions from parents, but in the end, they were supportive of the District-Sponsored Charter Schools because if they had not changed, they would have had to cut several programs, e.g., art, music, P.E., world language, band, or close schools. Dr. Burdick reported that the Cave Creek Unified District felt it had to do something risky to maintain the quality education that it had been providing to the children.
- Asked if employees had experienced any changes. Dr. Burdick replied that there were no changes and that all employees were treated equally, whether a charter or non-charter school. Dr. Burdick advised that the district was able to give all of their certified teachers a 2% raise, all of the 301 money, and a performance team goal incentive which gave all certified teachers a raise of 8%-13%. Dr. Burdick reported that the non-charter school parents expressed concern for their children, but were assured that the non-charter school students received all of the benefits as the charter schools.
- Asked Dr. Burdick if she would consider changing the non-charter school to a charter school to be more marketable. Dr. Burdick replied that the main concerns of the parents in her district were to keep the special programs and keep the class size down. She reported that they were able to keep the special programs, but unable to reduce the class sizes. The parents were also concerned that the district would start to hire non-highly qualified or non-certified teachers.

Mr. Jahneke was pleased to hear that there were no hostile comments from the parents and they seemed receptive to the idea. Dr. Burdick replied that the hostile comments were from the charter school teachers who thought they would not be eligible to participate in the state retirement system. Dr. Burdick reported that the district's attorney contacted the IRS office in Washington, D.C. to get clarification. They received documentation that certified teachers in a District-Sponsored Charter School run by its own Governing Board (elected by voters) were eligible for the state retirement system.

Mr. Jahneke stated he had researched this topic and felt that the five selected schools had special programs that met the charter school guidelines. He stated that good leadership needs to be bold at times.

Mrs. Lambert stated she had always been a strong proponent of community involvement in these kinds of decisions, but hoped that the communication to the parents would allay their fears and avoid misunderstandings. She stated there was a negative connotation regarding charter schools, however, it was important to inform parents that the five selected schools would not have charter added to the school name, programs would not be affected, and staff would not be affected. Mrs. Lambert said this would be a financial windfall that would benefit all of the schools and students in the District. She felt there would be more positives than negatives if the Board approved the Resolution.

Dr. Cook stated that all Board members were provided a copy of the five applications and charters prior to the Board meeting. She also offered a paper copy of the five applications and charters for the Board's review at the meeting.

Mrs. Lambert asked if the proposed budget included any financial adjustments based on the possibility of the Board's approval of this action item. She asked if it was possible to reduce the budget, without any penalties, if for some reason the Board did not approve the proposal or if the State did not approve the applications. Ms. Thompson responded that this had been included in the budget and the District would be able to reduce the budget at any time after the budget was adopted.

Mr. Maza thanked the District office for the quick work in regard to this Resolution. He stated that during his 22 year career (15 years in public schools), he was a strong proponent of public schools and continued to be so. He said that parents and staff had requested that he consider every option available in order to serve the community and students. Mr. Maza advised that he had been forced in the last 3-6 years to look at the "bottom line" and make difficult business decisions.

Mr. Maza stated he was a strong proponent of choice. He advised that the District had created many avenues of choice at its schools and assisted them in developing signature programs that made them different from each other so that parents within the District could make appropriate choices for their children.

Mr. Maza acknowledged that much of his education regarding this subject was from Dr. Burdick through her work with the Paradise Valley Unified School District. Mr. Maza stated it was difficult to differentiate between District-Sponsored Charter Schools and non-district charter schools. Mr. Maza thanked Mr. Rex Shumway, legal counsel, for information regarding the Arizona Revised Statutes on this subject.

Mr. Maza stated that at the present time, when a quarter of the District's budget had been cut, that the District would not be doing right by the students if it did not investigate every legal avenue to support their public education inside WESD. Mr. Maza stated he strongly believed that the schools proposed for District Sponsored Charter Schools were appropriate and that it was good for the parents, community, and the students of our District.

The Board members thanked Dr. Burdick for her time and the information she provided.

A motion was made by Mrs. Lambert that the Governing Board approve the Resolution to sponsor five charter schools within the Washington Elementary School District. The motion was seconded by Mr. Adams. The motion carried.

**V. FUTURE AGENDA ITEMS**

There were no future agenda items.

**VI. GOVERNING BOARD AND SUPERINTENDENT ACKNOWLEDGMENTS**

Mrs. Lambert acknowledged Dr. Cook, Ms. Thompson, and the District staff for their hard work and the diligence to detail regarding the District Sponsored Charter Schools.

Dr. Cook acknowledged a letter and bookmark from the Martin Luther King Celebration. The artwork on the bookmark was drawn by one of the District's students. Board members were provided a copy of the letter and a bookmark.

**VII. CALL FOR EXECUTIVE SESSION**

**UNANIMOUS**

Call for Executive Session: Pursuant to A.R.S. §38-431.03 – A.1

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

- A.1 – Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting – specifically regarding the quarterly evaluation of the Superintendent.

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

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

Mr. Maza advised he would not participate telephonically in the Executive Session and asked Mr. Jahneke to preside over the Executive Session and the reconvening of the Regular Meeting.

**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.1
- A.1 – Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting – specifically regarding the quarterly evaluation of the Superintendent

**X. RECONVENING OF REGULAR MEETING**

Mr. Jahneke reconvened the Regular Meeting.

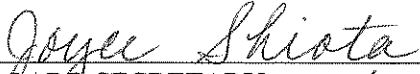
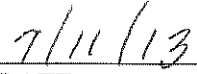

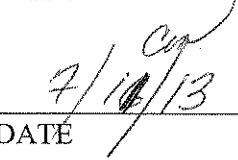
**XI. ADJOURNMENT**

**UNANIMOUS**

A motion was made by Mr. Adams to adjourn the meeting at 9:14 p.m. The motion was seconded by Mrs. Lambert. The motion carried.

**SIGNING OF DOCUMENTS**

Documents were signed as tendered by the Governing Board Secretary

 _____ BOARD SECRETARY	 _____ DATE
 _____ BOARD OFFICIAL	 _____ DATE