

**MINUTES OF THE REGULAR MEETING
OF THE GOVERNING BOARD
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48**

January 8, 2008

A Regular Meeting of the Governing Board of the Scottsdale Unified School District, #48, Maricopa County, was called to order at 5:30 PM, at the Scottsdale Unified School District Education Center Board Room, 3811 North 44th Street, Phoenix, Arizona. President Beckvar called upon Eric Meyer to lead the audience in the Pledge of Allegiance.

Board Members in attendance were Karen Beckvar, President; Dr. Eric Meyer, Clerk; Molly Holzer; Jennifer Petersen; and Dieter Schaefer. Superintendent John M. Baracy was also present. A quorum was present. Ms. Beckvar welcomed approximately 25 visitors.

Dr. Baracy informed the Board of the tragic accident that took the life of Joseph DeBolske, a Saguaro High School student who was killed in a bus accident returning from Telluride, CO. Dr. Baracy asked for a moment of silence in memory of all those lost in that accident.

Mrs. Petersen moved to approve the Agenda. Mrs. Holzer seconded the motion.

The motion was approved with a vote of 5 – 0.

Reorganization of Governing Board

Ms. Beckvar called for nominations for President of the Governing Board.

Mrs. Holzer nominated Ms. Beckvar as President. Mrs. Petersen seconded the motion.

The motion was approved with a vote of 5 – 0.

Ms. Beckvar called for nominations for Clerk of the Board.

Mr. Schaefer nominated Dr. Meyer as Clerk. Mrs. Holzer seconded the motion.

The motion was approved with a vote of 5 – 0.

Superintendent's Comments

Dr. Baracy introduced Kathy Patrick, Scottsdale Honors Cotillion coordinator, who gave a brief history of the Cotillion. The Honors Cotillion was formed in 1967 to recognize outstanding young women in SUSD. In March 2007, over 700 invitations were sent to junior girls currently attending the five SUSD high schools. The process culminated with 68 girls being inducted into the 2007-2008 program.

Dr. Baracy introduced Michelle Marshall, the District's new General Counsel. Ms. Marshall was a senior trial attorney for the EEOC. Ms. Marshall addressed the Governing Board stating that she was excited to come to the District. Her employment becomes effective January 22, 2008.

Dr. Baracy commented on the current economy and stated that Administration is looking at SUSD's budget for a two-year cycle and its implications. Dr. Baracy stated that he is confident the District can maintain programs; however, the one "wild card" in SUSD's budget, other than the State, is health costs.

Information/Discussion Items

Kim Clark, General Counsel, presented Information/Discussion Item VIII. A. Open Meeting Law Training. Pursuant to the 1998 Consent Judgment, Open Meeting Law Training is an annual review to be held every January. Ms. Clark reviewed the recent opinion issued in December 2007 by the Attorney General concerning communications to the press. Last year, during Ms. Clark's Open Meeting Law presentation, discussion was had regarding the Attorney General's opinion concluding that one-way communications by a Governing Board Member concerning items that might come before the Board for a vote, if legal action was proposed, and if sent to a majority of the Governing Board, could constitute a violation of the Open Meeting Law. At that time, the question was posed whether or not that opinion would extend to a communication that was sent via the media in the form of an editorial to a majority of the Governing Board. At the time, there was no authority on the issue. The Attorney General has now issued an opinion that clarifies its earlier opinion on the issue. The opinion does not interpret the Open Meeting Law as

Motion #52
Approval of Agenda

Reorganization of Board

Motion #53
Approval of Ms. Beckvar
as President

Motion #54
Approval of Dr. Meyer as
Clerk

Superintendent's
Comments

Information/Discussion
•Open Meeting Law
Training

prohibiting communications via the media, even if they do reach a majority of the Governing Board, because those communications reach Governing Members indirectly, if at all. Ms. Clark then reviewed the basics of the Open Meeting Law (OML). The purpose of the OML is to assure public access to the conduct of government business. Ms. Clark continued with a brief refresher of the OML in regard to Notices, Agendas, Minutes, Executive Sessions and Sanctions on violations to the Open Meeting Law. There were no questions from the Board. However, Board Members all thanked Ms. Clark, who was leaving the District, for her years of service to the District. Ms. Beckvar, on behalf of the whole Board, stated that they were happy that Ms. Clark joined the District and thanked her for being proactive in reducing legal costs for the District. Dr. Baracy also thanked Ms. Clark, stating that three and a half years ago, before Ms. Clark joined the District, legal costs were out of control and thanks to her efforts, those costs have been greatly reduced. Dr. Baracy, on behalf of the entire District, stated that it was a pleasure to work with her and wished Ms. Clark well. Ms. Clark thanked everyone, stating that it has been a wonderful experience.

Kevin Price, Director of Audit Services, presented Information/Discussion Item VIII. B. Audit Services Update. Mr. Price gave an update on the progress made on the review of Average Daily Membership (ADM) data for the 2006-07 school year and for the 2007-2008 school year to date. Mr. Price stated that he has confidence in the Genesis system and that it is generating accurate information. The 40th day ADM for this school year shows the District is down approximately 230 students from last year. Bond Construction is on time, on task, and under budget. Mr. Price has conducted three Spot Audits and is working on a couple others. He will be reporting to the Board on those shortly. Community Schools currently has an online payment system that is being reviewed. Mr. Price stated he is attempting to get them to one system, from the current three systems they are using. The Online payment process in regard to Tax Credits shows over \$300,000 in online payments. Also, Online Course Selection at the high schools will begin in the next few days. Mr. Price stated that the Audit Plan for 2007-2008 is a very ambitious plan. Mr. Price asked for clarification on two items presented in the revised plan presented to the Board: Policies and Procedures and Audit Risk Assessment. In regard to Policies and Procedures, Mr. Price thought he was to do an in-depth audit on Transportation, Food Services, Student Services and Technology Policies and Procedures. Ms. Beckvar responded what the Board had requested was an assurance from Mr. Price that those departments had put in place policy and procedure manuals and then follow up with a regular process, not an audit of those departments. The other item needing clarification was Audit Risk Assessment. A risk assessment was done last year; however, in setting the goals for next year, Mr. Price will have to conduct another risk assessment. Mr. Price added this to his plan for the Board's consideration and direction. Continuing, Mr. Price stated that pursuant to the Board Meeting of December 3, 2007, it was his understanding that the Audit Committee was comprised of the five Board Members. A secondary committee, which would report to Mr. Price, is the Audit Services Advisory Council, comprised of Dr. Baracy; the District's General Counsel; Mr. John Cotton, a community member who is a retired CPA; and a second community member to be named.

•Audit Services Update

Discussion ensued. Mrs. Holzer asked if the drop in the 40th day ADM was in one particular grade more than others. Ms. Beckvar responded that according to the graph Mr. Price had sent in the Board Packet, the slight drop was pretty much across all grade levels. Middle schools might have gone up slightly, but elementary and high schools dropped. Mr. Price stated that the cycle that is being tracked is not actually a "normal" cycle due to the issues with the housing market. The data shows that the numbers are actually getting smaller which shows that more students are entering the District than are withdrawing. This is a good trend; it appears that the District is keeping the students it has. Mrs. Holzer also asked if Mr. Price had identified specific tasks that he felt could be handled by other departments. Mr. Price responded that he is working on a plan to remove himself from the online payment, course selection, and registration processes. Further, once Community Schools is up and operational, he will be conducting only in-depth audits. Ms. Holzer asked about the Audit Committee; she did not recall that the Audit Committee would be comprised of the Board Members. Ms. Beckvar responded that it's not an Audit Committee, per se. The Internal Auditor reports directly to the Board who will be making decisions about what tasks the Internal Auditor will perform. The Audit Services Advisory Council will be developed by Mr. Price and report to him. The Advisory Council will be setting up goals that will be brought to the Board for its review.

Mrs. Petersen asked Mr. Price how confident he was in the 40th Day ADM data. Mr. Price responded that he is very confident in the numbers, and further the Genesis system is generating consistent numbers. It is a very complex system and he closely reviews the report every day. Mrs. Petersen asked if the Audit Services Advisory Council replaces the current Audit

Committee that meets once a month. Mr. Price responded that is his understanding and that it will meet once a month or whenever necessary and might consist of other people, depending on the task at hand.

Mr. Schaefer stated that his recommendation on the Audit Advisory Council would be for the Council to meet once a month or, at the least, every two months. Regarding the Audit Plan, Mr. Schaefer asked what barriers needed to be removed to make the plan flawless in providing accurate numbers. Mr. Price responded that the current ADM system is very accurate. The problem is in the number of people providing the data. What is needed is more training and retaining those people who have been trained. Mr. Schaefer stated that he would like to see a specific listing of the barriers that needed to be removed in moving to a flawless system so that Mr. Price would not have to spend an inordinate amount of time auditing. Mr. Price responded that one of the challenges the District has is that the position responsible for the data is one that has been suffering from attrition. Mr. Schaefer responded that is a barrier that would be on the list he has requested. Ms. Beckvar summarized: in the next report, the Board would like included in the ADM audit a list of the issues and how they are being addressed in terms of reducing the barriers to accuracy. Mr. Schaefer continued that he felt there were still some tasks, such as the online processes, that Mr. Price should be more aggressive in moving his timetable up on for removing himself from involvement.

Dr. Meyer stated that in looking at Mr. Price's Audit Plan, it appears that he will no longer be involved in the online processes by the end of January. Mr. Price responded that it is his intention to no longer be involved in those processes by the end of January. Regarding the online course registration process, Mr. Price is still working on removing himself from involvement in that process. Dr. Meyer stated that it was his understanding that the goal the Board had set was for the people who work in those departments to develop the systems and Mr. Price would do audits to ensure the systems were working properly. Mr. Price responded that he is working on those transitions and could expedite that transition. Ms. Beckvar stated that the Board wanted Mr. Price to be performing audit functions and not be developing processes.

Mr. Schaefer, in regard to the Audit Plan, stated that he felt Policies and Procedures should be reviewed as he audits different departments. Mr. Price responded that, based on what has been discussed at this meeting, he will remove that task from the Audit Plan. In the future he will verify the departments have their Policies and Procedure Manuals and periodically review if they are being followed.

Ms. Beckvar summarized the direction the Board wished Mr. Price take:

1. Choose some type of regular meeting schedule for the Audit Advisory Council. The Board suggests monthly, or at least every other month.
2. Provide a report to the Board on how to resolve the ADM issues that cause errors; what the barriers to accuracy are, and how those barriers will be addressed.
3. Regarding online course registration, the Board would like Mr. Price to not be "driving" the process. This ultimately is a customer service function. Dr. Meyer asked that in Mr. Price's next report there be more detail on who is going to be doing what in accomplishing that goal.

Ms. Beckvar asked Mr. Price if he had any more questions for the Board. Mr. Price responded that in regard to his Quarterly Reports to the Board, he would like to recommend they be given in September, December, March and June. The Board agreed with that recommendation. Ms. Beckvar concluded that if Mr. Price needed additional guidance from the Board, he should contact the Board President and she would work to facilitate a meeting with the entire Board for input.

Ms. Beckvar led the discussion on Information/Discussion Item VIII. C. Board Expectations for Facility Master Plan. Ms. Beckvar wanted to make sure that when the time came for Dr. Baracy to report to the Board on a Facility Master Plan, there was a clear understanding of what the Board expected.

Dr. Baracy reviewed what is being planned for the report to the Board. The District has 33 schools, some of which are at full capacity and some of which are not at capacity. The charge he has given his Blue Ribbon Advisory Council (BRAC) is to assist the District in providing the Governing Board options to best utilize the District's facilities effectively and efficiently and to ensure SUSD maintains neighborhood schools. To accomplish that, BRAC is looking at both

Summary of Direction to
Internal Auditor

•Board Expectations for
Facility Master Plan

current enrollment and long-term enrollment projections, the distance students travel to schools, what schools are under-utilized, what schools are at capacity, and to determine what is the best way to utilize each school. BRAC will be presenting a variety of options for the Board's review and input, after which those options will be presented to the community for its input. After that process, Dr. Baracy will come back to the Board with the information received from the community.

Mrs. Petersen stated that David Peterson had provided the Board with a report on the cost to run each site. She would like to see a report on the cost per school to educate per pupil. She would like to see an accurate enrollment per site versus the capacity at that site. Additionally, at schools where there are specialized programs, she would like to see what the costs of those programs are. Also, how would the building renewal fund cuts affect SUSD and, specifically, how would those cuts affect our facilities that are currently in need of the building renewal funds.

Dr. Meyer stated that he felt the challenge will be in educating the community. The Board is aware of many facts that the community does not know, such as that certain programs and/or facilities are more expensive to run than others. A process needs to be developed that will educate the community on those nuances. The District was successful in educating the community before the Override Elections in November 2007. Dr. Baracy responded that a great deal of time will be spent in educating the community on the variety of potential options that will be considered so that the District will receive direction from the community on what it believes are the best options. The options that will be brought to the Board, possibly five to seven options, will look a variety of different ways. However, at this time, Dr. Baracy asked, let the process work its way through, and as the Board hears the recommendations from the Blue Ribbon Advisory Council later this spring, the District will go to the community members and educate them as to all the options that are being considered and why they are being considered. Dr. Baracy stated his administration is committed to using SUSD facilities effectively and efficiently, to serving its customers (parents), and to the idea that neighborhood schools mean keeping current boundaries intact. That is the foundation of what they are trying to accomplish, but it is also necessary to recognize the realities of where the District is today. Some of the factors that have affected enrollment over the years have been very dramatic over a short period of time, such as the high cost of housing, the maturation of the community and the apartment to condo conversions. Dr. Meyer responded that he is suggesting that the community needs to know the reason why there is a Blue Ribbon Committee looking at these issues and what the issues are. Ms. Beckvar stated that one of the issues being looked at is SUSD has students who are not in a neighborhood school and are bused past two other high schools to attend high school. Dr. Meyer stated that he would like principals to educate parents as to why the District is looking at any changes and that he did not feel that most parents completely understood the District's financial situation. Ms. Beckvar stated that as she understands more of what Dr. Meyer is saying, that as part of the Budget process the Board can talk about why they have to examine efficient, effective use of its facilities. Dr. Meyer responded that beyond that, the District should replicate the process they used in educating the community on the November 2007 Overrides. Ms. Beckvar stated that Dr. Meyer is asking for a plan on how Administration will educate the community. As she understands it, that plan can be accomplished.

Mrs. Holzer stated that she has been asking for a Facility Master Plan for quite some time and that there have been previous committees which have made recommendations for a plan. She asked why a committee is again being asked to make another recommendation when Administration is already aware of the data needed to develop a Master Plan. She would like to see this Administration present approximately five or six plans to the Blue Ribbon Advisory Council, to the Scottsdale Parent Council, and to the community and then get their opinions and input. One of Mrs. Holzer's frustrations is that she feels the District moves too slowly. Dr. Baracy responded that if Administration had made a decision three years ago, when he was appointed Superintendent, it would have been the wrong decision because of the drastic change in the housing market and enrollment over three years. Dr. Baracy stated that they want to make the right decision; the District has occasionally been criticized for not involving individuals in the process. He is confident that the options that will be shortly brought to the Board will not slow down any process and will be well thought out. Dr. Baracy recognizes the nuances in Dr. Meyer's comments and stated that the District can accomplish what Dr. Meyer has asked. Dr. Baracy stated that he will be presenting the options on behalf of his committee, the Superintendent's Blue Ribbon Advisory Council, and is confident the Board will be satisfied with the options submitted. He will be bringing the options to the Board in the spring of this year.

Mr. Schaefer asked if the committee was looking at the long term, approximately six years out. Dr. Baracy responded that the committee is actually looking at enrollment through 2030.

Ms. Beckvar stated that there is one other component to the Facility Plan that has not been addressed - the state of some of the District's facilities. Part of a previous Master Facilities Plan was to look at bonding almost every five years to either rebuild or renovate existing facilities. One of her expectations is that Administration will be updating that previous plan on what facilities are going to be renovated or modified in the future and what the process will be.

Mrs. Holzer, in a follow-up question regarding the short-term plan, asked if recommendations are given to the Board in April and then back to the community after that, when the final recommendations would come to the Board for a vote. She has had many inquires from McDowell Mountain Ranch parents who have been concerned about the commute their students have to get to high school. Dr. Baracy responded that McDowell Mountain Ranch (MMR) students can currently open-enroll to Desert Mountain High School (DMHS). Mrs. Holzer stated that transportation to DMHS is not provided to those students who open enroll and asked if transportation could be provided for those students if the population was significant. Dr. Baracy responded that, in light of the budget issues for the next two years, he did not think the District could provide transportation; however, he would ask Dan Shearer, Executive Director for Transporters of Learners, to look at any possible scenarios. Mrs. Petersen added that she would also like to see some sort of transportation plan for MMR students. Also, Mrs. Petersen stated that she wanted to underscore what Dr. Meyer said and not underestimate the value of educating the entire community.

In conclusion, Dr. Baracy stated that Administration is eager to bring some suggestions to the Board. Ms. Beckvar added that perhaps Dr. Baracy could start to phase in information when it becomes available.

Ms. Beckvar presented Information/Discussion Item VIII. D. Discussion on Revision to Policy BEDB – Agenda. It is being recommended that the “Consent Agenda” be moved before “Information/Discussion Items” so that if there are people in the audience waiting to hear the Board’s vote on the Consent Agenda, they will not have to wait until the end of the Board Meeting for something that takes a very short period of time. Further, it is being recommended that “Recent News and Media Coverage/Potential Board Response” be removed from the Agenda. Ms. Beckvar stated that this item has not been used in the five years she has been on the Board. The Board agreed to the recommendation and asked that the revision be placed on the Consent Agenda for the January 22, 2008 Board Meeting.

•Discussion on Revision to Policy BEDB - Agenda

Brought Back on Consent Agenda 1/22/08

Information/Action Item

Ms. Beckvar requested Information/Action Item IX. A. Board Calendar be placed on the Agenda to ensure Board Members set their own calendars for some key meetings. The meetings in questions are: Board Retreat with the Learning Leadership Team (LLT) for District Goal Planning; Board Retreat for Board Self-Evaluation, Board Goals, Board Training; and Board Retreat with the Internal Auditor for Annual Audit Goals.

Information/Action Items
•Board Calendar

Mrs. Petersen asked for clarification. She was under the impression that the discussion on District Goals was going to be tied in with the discussion on the Budget. Ms. Beckvar responded that the Board could talk about District Goals as part of the budget process which will begin at the February 12, 2008 Board Meeting, thereby still giving the Administration time to present its action plan and objectives. After discussing several options, the Board decided that:

- February 12, 2008 Board Meeting – begin initial Budget discussions
- March 4, 2008 Board Meeting – this will be a Work/Study meeting on Budget and District Goals
- March 18, 2008 Board Meeting – if needed, further Budget and/or District Goals discussion.

The Board then discussed a Board Retreat for Board Self-Evaluation, Board Goals, and Board Training, as well as a Board Retreat for Audit Goals. It was decided that the Board would meet in a Work/Study combining the aforementioned after the start of school August 11, 2008. This would be held during the day.

Consent Agenda

- IX. A. Acceptance of Gifts - \$44,207.31
- IX. B. Accounts Payable Vouchers – 12/7/07-12/14/07
- IX. C. Payroll Vouchers – 11/29/07-12/13/07
- IX. D. Personnel Actions – 12/4/07-12/17/07

Consent Agenda

Consent Agenda Continued

- IX. E. Auxiliary Operations Statement for November 30, 2007
- IX. F. Student Activities Statement for November 30, 2007
- IX. G. Tax Credit Statement for November 30, 2007
- IX. H. Approval to Increase Prior Board Authorization for RFP #6001, Professional Athletic Trainers
- IX. I. Approval to Purchase a Field Mower through Mohave Contract
- IX. J. Approval of Ratification to Purchase Roofing Service through TCPN
- IX. K. Approval to Increase Prior Board Award for Temporary Employment
- IX. L. Approval to Increase Prior Board Award for Employee Lease Back Program (Smartschools Plus)
- IX. M. Ratification of Procurement Item Approved by Superintendent or Designee with Prior Board Approval
- IX. N. Request for Issuance of RFP for Emission Reduction Systems for School Buses
- IX. O. Approval of Minutes of December 18, 2007 Special Board Meeting
- IX. P. Approval of Minutes of December 18, 2007 Regular Board Meeting

Mrs. Petersen moved to approve the Consent Agenda. Mrs. Holzer seconded the motion.

The motion was approved with a vote of 5 – 0.

Governing Board Reports

There were no Governing Board Reports

Dates of Upcoming Board Meetings and District Events

- Tuesday, January 12, 2008 – 5:30 PM – Regular Board Meeting
- Tuesday, February 12, 2008 – 5:30 PM – Regular Board Meeting

At 7:45 PM, Mrs. Petersen moved to adjourn the meeting. Dr. Meyer seconded the motion.

The motion was approved with a vote of 5 – 0.

Dated this 8th day of January 2008.

The Governing Board of the Scottsdale Unified School District #48

Karen Beckvar, President

Eric Meyer, Clerk

Molly Holzer

Jennifer Petersen

Dieter Schaefer

Consent Agenda Continued

Motion #55
Approval of Consent Agenda

Governing Board Reports

Dates of Upcoming Board Meetings

Motion #56
Adjournment