

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

June 3, 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 44<sup>th</sup> Street, Phoenix, Arizona. President Beckvar called upon Mrs. Holzer to lead the audience in the Pledge of Allegiance.

Board Members in attendance were Karen Beckvar, President; Molly Holzer; Jennifer Petersen; and Dieter Schaefer. Dr. Eric Meyer, Clerk, was absent. Superintendent John M. Baracy was also present. A quorum was present. Ms. Beckvar welcomed approximately 20 visitors.

Before asking for Approval of the Agenda, Ms. Beckvar noted two corrections to the Background information on:

1. Consent Agenda Item VIII. Z. Approval for Food Program Permanent Agreement, Page 40. The State has recommended A.R.S. §15-342 instead A.R.S. §15-1152.
2. Action Item IX. A. Adoption of Technology Standards, Page 63. Networked Printers and Classroom Response Systems should be stricken. IT Department has not yet developed standards in these two areas.

Mr. Schaefer moved to approve the Agenda, as amended. Mrs. Petersen seconded the motion.

The motion was approved with a vote of 4 – 0.

Superintendent's Comments

Dr. Baracy recognized Dr. David Peterson, Assistant Superintendent for Operations. The IPM (Integrated Pest Management) Institute of North America, in partnership with the United States Environmental Protection Agency, has awarded a pesticide environmental stewardship program award to SUSD. This award indicates that SUSD "is an IPM star-certified school system exceeding a rigorous standard for integrated pest management," one of 70 school systems across the country. Dr. Peterson was responsible for coordinating this program.

Dr. Baracy asked Katy Cavanagh, Assistant Superintendent for Teaching and Learning, to introduce the next award. Mrs. Cavanagh recognized Katie Root, principal of Laguna Elementary School. *Intel* recognized six schools across the country in the areas of math and science. Laguna Elementary School has been chosen for its "science excellence of all the schools in the nation in elementary, providing science instruction and learning." The award also includes a \$10,000 cash grant and more than \$160,000 worth of materials, instruction, and technology equipment. Mrs. Root thanked the District Office Administration and the Governing Board for its support.

Mrs. Cavanagh honored Minitown and Unitown. These organizations teach SUSD children the value of honoring all human beings, regardless of their gender, color or disability. Mrs. Cavanagh recognized Terri Kellen, principal of Pueblo Elementary School; Chris Asmussen, principal of Mountainside Middle School; and Joe Baca,

Correction to Agenda

Motion #130  
Approval of Agenda as Amended

Superintendent's Comments

counselor for Unitown. Ms. Kellen reported on the approximately 70 seventh and eighth graders who came together at Mountainside Middle School for a 24-hour Minitown event on April 25<sup>th</sup>, a huge success. Mr. Asmussen reported that this used to be a 3-day event and looked forward to that happening again in the future. Until then, Mountainside would be happy to host the 24-hour event. Mr. Baca reported on the Unitown program held in Prescott and thanked everyone who supported the program.

Public Comment

There was no Public Comment at this meeting.

Public Comment

None

Consent Agenda

- VII. A. Acceptance of Gifts - \$182,515.15
- VII. B. Accounts Payable Vouchers – 4/25/08-5/9/08
- VII. C. Payroll Vouchers – 4/29/08-5/13/08
- VII. D. Personnel Actions – 4/22/08-5/19/08
- VII. E. Approval of Minutes of May 6, 2008 Special Board Meeting
- VII. F. Auxiliary Operations Statement for April 30, 2008
- VII. G. Student Activities Statement for April 30, 2008
- VII. H. Tax Credit Statement for April 30, 2008
- VII. I. Annual Transfer of Student Activities Fund Balances
- VII. J. Approval of Copper Ridge Math and Science Academy Transition to Saguaro High School – August 2008
- VII. K. Approval of Annual Renewal of Intergovernmental Agreements (IGAs)
- VII. L. Approval of AZ Dept. of Education Office of Administrative Hearings Contract
- VII. M. Approval of Copper Ridge School (K-8) CTDS Number Consolidation
- VII. N. Approval of Revision to Language Arts Adoption 2008-2009
- VII. O. Addition to Facility Policy Rental Manual Revision and Update
- VII. P. Award of IFB #9009, Herbicides, Pesticides
- VII. Q. Award of IFB #9011, Seed and Fertilizer
- VII. R. Award of IFB #9012, Landfill Disposal Services
- VII. S. Award of IFB #9019, Padlocks
- VII. T. Award of RFP #9006, Armored Car Services
- VII. U. Approve Purchase of Computer & Computer Peripherals through Mohave Education Service Contract
- VII. V. Approve Purchase of Multiple Commodities through ADE Contracts
- VII. W. Approval of Renewal of Contract for HVAC Services and Parts
- VII. X. Ratification of Procurement Items Approved by Superintendent or Designees with Prior Board Approval
- VII. Y. Approval to Increase Prior Board Authorization for Fencing through Mohave Contract
- VII. Z. Approval of Food Program Permanent Agreement – **Background Information Amended**
- VII. AA. Approve the Designation of Sole Source for Various Vendors
- VII. AB. Approve the Purchase of Network Equipment and Service through State of Arizona Contract
- VII. AC. Approve the Purchase of Software from Dell through TCPN
- VII. AD. Approve the Purchase of Roofing Services through TCPN
- VII. AE. Approve the Renewal of Contract for Classroom & Office Furniture
- VII. AF. Approve the Renewal of Contract for Foods, Pizza, Prepared & Individual
- VII. AG. Approve the Renewal of Contract for School Bus Parts and Repair Services
- VII. AH. Approval of Renewal of Contract for Teacher, Parent & Student Home to School Classroom
- VII. AI. Approve the Renewal of Contract for Travel Agencies & Tour Event Planners

Consent Agenda

Consent Agenda Continued

- VII. AJ. Approve the Renewal of Contracts
- VII. AK. Approval to Increase Prior Board Authorization for RFP #3094, Grease Trap Evacuation
- VII. AL. Approve Renewal of Contract (General Food)
- VII. AM. Approve Renewal of Contract for Milk and Dairy Products
- VII. AN. Approve the Purchase of Roofing Services through Mohave
- VII. AO. Approval to Increase Prior Board Authorization for Playground Equipment through Mohave
- VII. AP. Approval of Minutes of May 6, 2008 Regular Board Meeting
- VII. AQ. Approval of Minutes of May 20, 2008 Special Meeting/Executive Session

Mrs. Petersen moved to approve the Consent Agenda as amended. Mr. Schaefer seconded the motion.

The motion was approved with a vote of 3 – 1 (Mrs. Holzer voted NAY).

Information/Discussion Items

David Peterson presented Information/Discussion Item VIII. A. Fiscal Year 2009 Budget Update. Dr. Peterson presented a PowerPoint reviewing the FY2008 Budget and projections for FY2009. The final balance rollover for FY2008 is \$2.5 million; the smallest amount in recent years. The current unencumbered balance is \$850,000, an amount Dr. Peterson feels is sufficient to cover supplemental contracts through June, time-slip work and the sick-leave buyback as people finish out their contracts this year. The Governor has signed HB 2620 which includes a reversion of \$45,597,700 SFB Building Renewal funds. School districts will not receive the May 2008 Building Renewal payment, an impact to SUSD of \$1,409,087. The Legislature is using those funds to balance the State budget this year. The Legislature is also looking at reducing the Soft Capital allocations for school districts. The Governor has stated she would like to maintain the current funding. Continuing with SUSD FY2008 Budget, Revision #3 budget balance was \$165.5 million. Next year's budget is projected at \$167.9 million based on ADM (Average Daily Membership) of 25,183.48 and the TEI (Teacher Experience Index) at 1.0202 for the District. The FY2009 expenditures are projected to be \$167.6 million, leaving a balance of \$242,994. The projected funding for Fund 610, Capital Outlay, is \$6.6 million; all of those funds are moved to M&O. The carry-over funds in Fund 610 of \$1.6 million have been designated for furniture, instructional aids and technology. The total revenue projected for Fund 611, Capital Override, passed in November 2007, is \$9.9 million. These funds will be available on July 1, 2008 and include funding for fine arts, technology and library books. The projected revenue for Fund 625, Soft Capital, is \$5.6 million, with a carry-forward and interest in the amount of \$2.7 million, a total of \$8.3 million. There is some concern about this fund because the State Legislature is saying it might cut this allocation. One of the allocations from this fund is for buses which have not been purchased in some time. Also included in those allocations are Library materials at \$13 per student. Dr. Peterson has been meeting with District Librarians; they have indicated that they may even adjust that down a bit, based on the dollars they are using for the Capital Override. Dr. Peterson noted that all of the allocations may change based on what the Legislature does in taking away Soft Capital funding for the year. The revenue projected for Fund 20, Instructional Improvement, from Indian Gaming Funds is projected to be \$2.4 million; 50% is for base salary and 50% is for dedicated programs. Currently, Administration is in negotiations with all employee groups. If the District can afford a 2% raise, the cost would be \$168,234 for Certified Administrators, \$1.4 million for Certified (actually a 2.16% raise because they did get a .98% bump at the

Consent Agenda Continued

Motion #131

Approval of Consent Agenda as Amended

Information/Discussion

•FY2009 Budget Update

end of last year), and \$508,988 for Classified. Based on all the people that have applied for the Certified Horizontal Salary Advancement for taking classes, that amount would be \$986,346. Dr. Peterson gave an update:

- 2% Increase All Employees \$2,162,622
- Insurance Increase 412,282
- Fox-Lawson & IT Adjustment 300,000
- Performance Pay (Admin. & Class.) 300,000
- Contingency 200,000

This will leave approximately \$450,000 on a \$160 million budget, certainly a very tight budget for the next year. Further, Dr. Peterson noted that there are some additional staffing requests that have been built into the budget. One of those is for an additional 1.1 FTE at Desert Mountain High School (DMHS). It was found as an anomaly that there are students at DMHS who are taking seven classes. The District is only funded for six classes per student. On average, the students at DMHS are taking 6.25 classes each. It will be recommended in the upcoming High School Planning Guide discussions that students who take a seventh class will have to pay for that class. Other neighboring districts already charge students for taking that extra class. Continuing, Dr. Peterson noted that Scottsdale's assessed valuations increased another 15% this year. This has resulted in a preliminary FY2009 tax rate projection of a reduction of almost \$.76 for next year. Finally, SUSD received notice this week that a Consent Judgment has been awarded in the suit brought by Qwest against the Arizona Department of Revenue. The Arizona Dept. of Revenue negotiated a \$40 million settlement. All taxing authorities in the State of Arizona are affected. SUSD's share of this judgment is \$1,034,791, payable by July 31, 2008. The payment can be made from the cash balance in the tax revenue fund, therefore not impacting the M&O operating fund.

Discussion followed. Mrs. Petersen asked if there was a reduction to Fund 625, Soft Capital, was there a back-up plan for the items allocated other than library materials. Dr. Peterson replied that priorities would be set on what allocations would be funded, such as contracted copier leases, lease interest payments, curriculum adoption materials, and buses. Mrs. Petersen asked about the Building Renewal Fund. Dr. Peterson responded that the District will only repair absolutely necessary items. If the Legislature cuts Building Renewal funds, the District will have to pass a Bond. Mrs. Peterson asked if Arcadia HS, in regard to multiple lunch hours, was prepared to deal with an increase in enrollment. Dr. Peterson responded that Nutritional Services had staffed for the increase.

Discussion

Mr. Schaefer, in regard to excess Utilities, asked what the rationale was for using the same estimated utility expenses for 2007-08 and 2008-09. Dr. Peterson responded that it is an estimate; they have been monitoring the District's usage very closely and there will be a slight reduction. Further, school district budgets can never be adjusted upward; therefore, because it is believed that there will be a reduction, the same dollar amount was carried over. Mr. Schaefer, with respect to buses, stated that the District might want to delay buying buses depending on potential school realignments or consolidations. Dr. Peterson responded that the District does have a replacement plan for buses and, as the buses get older, replacing them can only be postponed for so many years. Dan Shearer, Director of Transporters of Learners, added that if the District reduces schools, the number of school buses needed would increase because the walking area for a consolidated school would be eliminated. Ms. Beckvar stated that the District included buses in the 2004 Bond to try and bring the average age down

from 15 years for buses, as some were 20 years old. However, if Soft Capital funds were eliminated, the District should make a reassessment of what reductions would be made. The plan was to keep the buses on a ten-year replacement cycle; perhaps it should be an eleven-year replacement cycle. Mr. Shearer responded that the dollars originally spent on buses enabled the District to have all air-conditioned buses, the first district in the State to do so. There is a need for additional buses for Special Ed and homeless students, which is a requirement. Over the last four years, Bond funds have been used for buses rather than Soft Capital funding; however, there are buses that do need to be replaced. Ms. Beckvar suggested that if Soft Capital funding is eliminated, there might be other solutions that would have the least impact on reaching the District's goal of 33 Excelling Schools. One such solution might be changing the school start times at certain schools, as had been done at Copper Ridge. Ms. Beckvar requested Mr. Shearer to develop a plan that could change the start-times or pick-up routes in order to reduce the number of buses and/or routes that are needed. Mr. Shearer responded that he would work on developing a plan.

Mrs. Holzer asked about the open-enrollment impact on high schools at Arcadia and Chaparral and if the budget has increased because of those additional students. Dr. Peterson responded that those students were not included in the budget; they are "new" students, and due to the way the State funds school districts a year in arrears, funding for those students will not be received until next year. Mrs. Holzer, in regard to Building Renewal funds, asked what fund will be used to make temporary repairs. Dr. Peterson responded that currently there is several million dollars in the Building Renewal fund, and that unless it is an absolute necessity, no repairs will be done. In regard to the 625 Fund, Mrs. Holzer stated that the Board had chosen to take buses off of the 2007 Override and that it now appears that we will be using Fund 625, thereby taking funding away from the libraries in order to possibly purchase buses. She agreed with Ms. Beckvar; she would also like to see some other plans to reduce the number of buses and/or routes. Further, other states charge for busing; she would like to "think outside of the box." She, too, would prefer for the District to purchase books rather than buses, even though the District needs to maintain its buses. She would like to explore other options available for its buses. Dr. Peterson responded that he does currently have \$13 per student budgeted for libraries from Soft Capital. In a separate plan done by Sharon Ewers, Head Librarian, and Dr. Jackie Olson, Director of Curriculum, \$6 per student was budgeted from the Capital Override. Dr. Peterson's understanding was that they would free up dollars in Fund 625 by using the Capital Override dollars. Mrs. Holzer asked what is the total amount of dollars that have been recovered from all departments from the Soft Capital 625 Fund that is being augmented by the Capital Override funds. Dr. Peterson responded that basically it is the \$1.8 million shown for buses. His two priorities this coming year will be in Special Ed and Transportation; he will be closely working with those two departments.

Mr. Kevin Price, Internal Auditor, presented Information/Discussion Item VIII. B. Audit Services Quarterly Board Update. Mr. Price gave a PowerPoint presentation updating the Board on Audit Services' last three months of activity and reviewing upcoming activities for the next three months. All ADM Audits have been completed with the exception of a small follow-up of the 100<sup>th</sup> Day which will be forwarded to the Board next week. Bond construction activities are all on schedule, on time and with major cost savings. The first Bond Audit, starting with Coronado, will begin June 13<sup>th</sup>, followed by Arcadia around September to November. All online systems are up and running. In regard to Online Registration, which is actually part of next year's start of school process, Audit Services will no longer be involved in that process by June 30, 2008. Continuing, Mr. Price reviewed construction activity by school. Sierra Vista is

•Audit Services  
Quarterly Board Update

completed and Coronado is down to its “punch list.” Construction at Saguaro and Chaparral will continue over the summer; both are on schedule. At the start of the 2008-09 school year, Chaparral will have a parking issue as its parking lots are not scheduled to be completed until October. There have been some adjustments to the Audit Plan. In addition to the Construction Audits being moved to June and November, the Audit of the employee time and attendance system has been rescheduled until the new system has been purchased and is in use. Community Schools and Fixed Assets Audits have been extended into June due to other projects. Mr. Price asked the Board for feedback and direction on the reports he has been sending them; are they meeting the needs of the Board and would the Board wish to add anything to the reports. Also, is the Board satisfied with the current level of detail provided?

Mrs. Petersen stated that she liked the one-page detailed report with more information as needed. Also, the level of communication has been very good. Further, Mrs. Petersen reiterated that meetings are being held once a month. Mr. Price responded that the Audit Committee will not meet in July; the Board’s direction had been to meet once a month, with on occasion every other month, depending on activity. Ms. Beckvar responded that not meeting in July would be appropriate; most people take vacation at that time, and that Mr. Price should indicate in his monthly report that the meeting had not taken place. Board Members agreed.

Discussion

Ms. Beckvar asked Board Members for their feedback and noted that this was the only time they could give Mr. Price feedback on his reports. Mrs. Holzer agreed with Mrs. Petersen; she too liked the one-page report. She noted that the funds from the Capital Override will start to be available in July and asked if auditing those funds is something on Mr. Price’s schedule. Mr. Price responded that it was not on his schedule and that he would need direction from the Board as to what they wish his involvement to be. He has been auditing the Capital Construction Bond. Mrs. Holzer would like him to include auditing the Capital Override Funds.

Mr. Schaefer stated that it was encouraging to see that Mr. Price was moving into the Internal Audit function. He, too, likes the monthly report and the level of detail, but would like to see dates included on the monthly Audit Plan. Ms. Beckvar added that it is helpful to the Board to have all the information in one place. Mr. Price responded that he would, therefore, have a two-page report. One page would be the Audit Plan and the second page would show the status with dates.

Continuing with their review of the Audit Advisory Committee, Mrs. Petersen asked about Community Schools and Fixed Assets Audit. Mr. Price responded that he was working with Community Schools as part of the Online system so that they would be able to take payments online. That is now up and running and Mr. Price is reviewing the procedures in place, making sure they have proper controls and processes in place. In regard to the parking issue at Chaparral mentioned by Mr. Price, Mrs. Petersen asked Dr. Peterson what is being done to notify everyone. Dr. Peterson responded that a flyer has been developed, current students have been made aware of the situation, and incoming freshmen do not drive, and therefore, will not be affected. The plan is to use the incompleated tennis courts for parking and once the parking lots are completed, complete the tennis courts.

Ms. Beckvar recapped; Board Members are happy with the Monthly Audit Reports, the level of detail and the frequency. Further, Mr. Price will be developing an Audit Plan for next year to present to the Board in August at a Board Retreat planned for August

18<sup>th</sup>. Ms. Beckvar asked if there were any issues or activities the Board would like to add, in addition to Mrs. Holzer’s request for monitoring of the Capital Override expenditures. Mrs. Petersen agreed that was an excellent suggestion. Mrs. Holzer stated that she would hope that Mr. Price would begin auditing those funds as soon as they come in and not wait until August.

Mr. Schaefer asked about the Audit Advisory Committee. At present, there are just two people on this committee, Mr. Price and Mr. Cotton. Mr. Price added that Michelle Marshall, General Counsel, and Dr. Baracy also sit on the committee. However, Mr. Price is currently reviewing applications for other members; he would also like a larger committee. His intent is to have another person on the committee by August. Mr. Schaefer asked about the Employee Time and Attendance system and inquired what kind of system was being purchased. Mr. Price responded that the District is currently looking at two systems on State contract, Kronos and Time Keepers Plus. Mr. Schaefer noted, as he has mentioned in the past, he would prefer not having an attendance system. The District is paying supervisors to supervise people to make sure they are at work and signing time cards; he thinks it is a waste of money. He will not support the use of this system. In light of budget restraints, he would rather use the funds elsewhere. Ms. Beckvar responded that perhaps the Audit needs to be on how much of a problem time and attendance is and maybe do spot audits to determine if there are concerns.

#### Action Items

Ernie Nicely, Executive Director of Information Systems and Technology, presented Action Item IX. A. Adoption of Technology Standards. (Background information included in the Agenda for this item was amended at the beginning of the meeting.) During the Second Regular Session of the 47<sup>th</sup> Legislature, Senate Bill 1257 was passed and signed into law by the Governor on April 17, 2006. This legislation required each school district Governing Board to either adopt or reject the technology standards as adopted by the Government Information Technology Agency (GITA). At the September 11, 2007 Governing Board Meeting, Administration submitted a recommendation that the Governing Board reject those standards and allow SUSD’s IT department to develop and formalize District Technology Standards for approval by the Board at a later date. The IT Department presented rationale for establishing technology standards for:

- Desktop Computers
- Laptop and Tablet Computers
- Campus Network Switches
- Classroom Projectors
- Classroom Amplification Systems
- Classroom Document Cameras

The Board’s approval of these standards will in effect establish District Technology Standards that can be expanded as the need arises. Additionally, the establishment of these standards will allow the procurement process to focus on acquiring these technologies in lieu of a more time consuming global procurement process.

Mrs. Petersen moved to approve the technology presented as part of the overall Adopted Technology Standards, and further, approve the purchase of technology in compliance with these standards. Mr. Schaefer seconded the motion.

Ms. Beckvar asked if Mr. Nicely will still be bringing forward approvals for purchases.

#### Action Items

•Adoption of Technology Standards

Background Information was Amended

#### Motion #132

Approval of Adoption of Technology Standards

Mr. Nicely responded that major purchases exceeding \$30,000 will be brought to the Board. Ms. Beckvar added that this is streamlining the purchasing process.

The motion was approved with a vote of 4 – 0.

Ms. Beckvar presented Action Item IX. B. Approval of Proposed ASBA Agenda Items for Delegate Assembly of June 28, 2008. Ms. Beckvar noted that this item is to give direction to Mr. Schaefer, SUSD’s delegate on how it would like to be represented at the Delegate Assembly. Ms. Beckvar noted that Board Member Meyer, who was absent from this meeting, did have concerns about the State Land Trust. ASBA’s position is, based on what had happened at last year’s Delegate Assembly, if the State doesn’t get money for the land, it is taking money out of the pocket for education. If the land was sold, the money would go into the Trust, generating money for the classroom site improvement plan. Other education groups are supporting the current proposal. Mrs. Petersen, Mrs. Holzer, and Mr. Schaefer agreed with Dr. Meyer’s position.

•Proposed ASBA Agenda Items for 6/28/08

Mrs. Petersen moved that the Board give the authority to Dieter Schaefer; the District’s Delegate for the ASBA Delegate Assembly on June 28, 2008, to support the State Land Trust Measure and will trust his judgment on whatever else he feels is appropriate. Mrs. Holzer seconded the motion.

Motion #133  
Authority Given to SUSD Delegate to ASBA Delegate Assembly of 6/28/08

Ms. Beckvar noted that because she was employed by ASBA, she will be abstaining from this vote.

Ms. Beckvar Abstains

The motion was approved with a vote of 3 – 0 with 1 Abstention from Ms. Beckvar.

Governing Board Reports

Ms. Beckvar noted that she sat in on the Capital Override Committee meeting on June 2, 2008 and was very impressed with the type of questions being asked and the variety of backgrounds of the people sitting on the committee. She feels it will be a good committee and a good “watchdog” for the expenditures on that Override.

Governing Board Reports

Dates of Upcoming Meetings

Tuesday, June 17, 2008 – 5:30 PM – Regular Board Meeting  
Tuesday, July 1, 2008 – 5:30 PM – Public Hearing/Special Meeting on FY2009 M&O Budget.

Dates of Upcoming Meetings

At 7:03, Ms. Beckvar moved to adjourn the meeting. Mr. Schaefer seconded the motion. The motion was approved with a vote of 4 – 0.  
Dated this 3<sup>rd</sup> day of June 2008.

Motion #134  
Adjournment

**The Governing Board of the Scottsdale Unified School District #48**

\_\_\_\_\_  
Karen Beckvar, President

\_\_\_\_\_  
ABSENT  
Eric Meyer, Clerk

\_\_\_\_\_  
Molly Holzer

\_\_\_\_\_  
Jennifer Petersen

\_\_\_\_\_  
Dieter Schaefer