

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

September 24, 2008

A Special Meeting of the Governing Board of the Scottsdale Unified School District, #48, Maricopa County, was called to order at 9:02 AM, at the Scottsdale Unified School District Education Center Board Room, 3811 North 44th Street, Phoenix, Arizona. Ms. Beckvar called upon Mr. Schaefer 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.

Superintendent's Comments

Dr. Baracy recognized Ernie Nicely, Executive Director of Information Technology, who was retiring from the District. Mr. Nicely was one of Dr. Baracy's first appointees and was someone who had the emotional intelligence to face one of the District's most significant challenges at that time – technology. Mr. Nicely is the architect of the District's Technology Plan, leaving his footprints on its technology for the future. Dr. Baracy stated he is "very grateful that Mr. Nicely has been a member of our team."

Ms. Beckvar, on behalf of the Board, thanked Mr. Nicely for his service to the children of this District and noted that there has been a marked improvement in the District's technology under his guidance. Ms. Beckvar wished Mr. Nicely the best of luck in his future pursuits.

Action Items

Ms. Beckvar moved to set a hearing date of October 30, 2008, pursuant to A.R.S. §15-341(A)(36) and (41) to discuss the proposal to consolidate Aztec and Zuni at the Zuni site and move Cheyenne to the Aztec site. At the hearing, the Board will hear reasons for and against the proposal, present proposed changes to the attendance boundaries, and allow for public comments regarding attendance boundary changes. Mr. Schaefer seconded the motion.

Ms. Beckvar asked the Administration to present on the motion.

Dr. Baracy began with a recap of the proposal. The process was begun, based on direction from the Board, with work from the Superintendent's Blue Ribbon Advisory Council (BRAC) to help develop recommendations to the Board regarding consolidation of some of the District's facilities. Those initial recommendations were presented to the Board in March 2008 at which time the Board directed Administration to hold the public forums at each complex that took place in Spring 2008. Based on findings from the public forums, Administration presented its recommendation in May 2008. At that time, the Governing Board asked Administration to further refine its proposal and get additional community input, resulting in a community meeting in June 2008 at Arcadia High School, with a revised recommendation presented for discussion at the September 16, 2008 meeting. At today's meeting, Administration will present the details of why it feels the recommendation is solid and ask the Governing Board to approve the proposal. Going forward, the Governing Board will be struggling with the fact that it appears that the State will be faced with a \$1 billion deficit this year. It is

Superintendent's
Comments

Action Items

Motion # 46

Set a Hearing Date of Oct. 30, 2008 to Discuss Consolidating Aztec and Zuni at the Zuni Site and Moving Cheyenne to the Aztec Site. Present Proposed Changes to Attendance Boundaries

apparent to many in the educational community that education will not be able to escape the balancing of the State’s budget for this year and for next year. The State may be faced with a \$2 billion deficit for this year and next year if the economy does not turn around. It is not believed that the economy will turn around within the next 15 months. In that vein, if SUSD does not look at some type of consolidations and better utilize its facilities more effectively and efficiently, the alternatives are going to be daunting. Dr. Baracy believes that if this issue is not faced this year, when the State does balance its budget and it does affect education, the District will be faced with much larger class sizes, program reductions, no raises for employees and significant other service reductions that will be very difficult to address.

Dr. Peterson presented a PowerPoint that reviewed Cheyenne, Aztec and Zuni, the schools affected by the proposal. Cheyenne is a Traditional School (K-8) that was built in 1986 and presently has 50 classrooms with ADM as of 9/3/2008 of 890.37 and a utilization rate of 82.35%. There are two options proposed for Cheyenne:

Options for Cheyenne

Option #1

- Relocate to Aztec Site
- Remove Modular Buildings (to support Science at Aztec site)
- Lease Site to City of Scottsdale for Ball fields.

Option #2

- Rebuild Existing Campus at a cost of \$16.5 million

Aztec Elementary School was built in 1993 and presently has 49 classrooms with ADM as of 9/3/2008 of 417 and a utilization rate of 46.74%. The recommendation for Aztec is:

Aztec Proposal

- Combine Aztec and Zuni Campuses at Zuni Site
- Renovations during spring and summer
- Relocate Cheyenne Traditional School to Aztec Site
 - Relocate Science Portable from Cheyenne Site
 - Use Science Portable until new facility is constructed
- Renovate Facility - \$2.5 million (Based on a successful Bond in 2009)
 - Includes New Gym and Science Classroom
- Parking Lot Improvements (to be funded with Adjacent Ways Funding)

Zuni Elementary School was built in 1989 and presently has 49 classrooms with ADM as of 9/3/2008 of 429 and a utilization rate of 57.64%. The recommendation for Zuni is:

Zuni Proposal

- Renovate Facility - \$3.25 million (Based on a successful Bond in 2009)
- Combine Aztec Campus at Zuni Site
- Reconfigure Drop-off areas this summer
- Classroom Renovations (with a successful Bond in 2009)
- Cafeteria Renovations (with a successful Bond in 2009)

Dr. Peterson presented estimated class size ratios for Aztec and Zuni for the 2009-2010 school year:

Grade	Aztec	Zuni	Combined	Sections
K	20.0	18.3	19.0	7
1	24.5	20.8	22.0	6
2	22.0	21.0	21.5	6
3	20.3	23.7	22.0	6
4	27.7	29.0	28.3	6
5	28.0	22.7	25.3	6
TOTAL	23.7	22.3	23.6	37

Estimated Class Size Ratios for Aztec and Zuni Combined

Administration has committed to having PANDA and preschool programs at the combined facility. That would add two more sections, for a total of 39 sections. Five dedicated and special classrooms would also be added – a total of 44 classrooms. The combined projected Facility Utilization rates for the 2009-2010 school year are as follows:

School	Enrollment	Utilization
Aztec/Zuni (Consolidated)	848	90.70%
Cheyenne (Aztec Site)	938	87.34%

Facility Utilization

Dr. Peterson next reviewed what the consolidated schools would look like:

Zuni

- New Excelling PreK-5 School
- Multi-Grade Highly Effective Teaching Program
- 1 PANDA Class Remains at Site
- 1 PANDA Class moves to Laguna or Copper Ridge
- 1 ABC Class Moves to Sequoya
- 2 Self-Contained Autism Classes move to Copper Ridge

Aztec

- 2 PANDA Classes Remain at Site
- 1 ALC Moves to Laguna – providing continuity with upper grade program
- 2 SUCCESS Classes to DCES – providing continuity with middle school program

The Aztec to Zuni consolidation has an estimated moving cost of \$22,000, to be supported by District Building Services and Nutritional Services, and can be completed during the summer of 2009 with savings realized with existing furniture. The Cheyenne to Aztec relocation has an estimated cost of \$28,000, also to be supported by District Building Services and Nutritional Services, and can be completed during the summer of 2009, with savings realized with existing furniture. The relocation of the Science portable would cost approximately \$36,000. Building Renewal Funds can be used rather than M&O. The relocation can be completed by July 2009. Concerns regarding the relocation have been expressed due to previous experiences with portables. Previously, the District had to start from scratch with new designs and new permits before building could even begin. Currently, the Portable is already in existence and the District does not have to present new designs or apply for new permits. Continuing, Dr. Peterson reviewed the impact to transportation. Cheyenne (if located at Aztec site) would have a 7:45 AM start time with 15 total buses. That would include an additional 8 buses for a cost of \$174,000. However, the District would be able to recoup \$199,918 from the State for transportation funding. Aztec to Zuni would have an 8:15 AM start time. No extra buses would be needed by using the Cheyenne route buses. The District would be able to recoup \$42,000 from the State for transportation funding.

quality education to the children of the District. It is unfortunate that a rumor mill is spreading misinformation. Dr. Meyer has not been contacted by a single Cheyenne parent. The Cheyenne parents have been above-board, and have attended the Community Forums. Zuni parents have also been a partner in moving forward in this process and have not complained or lobbied Dr. Meyer. Dr. Meyer has been to all three campuses to meet with the parents. The Special Ed issue is a “tough one,” but the Administration is planning for that move and will keep the best interest of those children in mind if the consolidation is approved. Dr. Meyer stated that there is no tie between making this consolidation and the Bond. The Board had asked for a Master Facility Plan years ago. The Plan presented took a long time to develop. It is an overall Plan that shows the needs of the District. The Board will be seeking community input on this Plan. The District’s facilities are in a bad shape and a number of them need significant renovation. The District will save over \$800,000 a year if this consolidation is approved, the equivalent of having 20 teachers. Dr. Meyer noted that the District cannot use Transportation dollars in the classroom. Any increase in Transportation costs will be covered by the formula that the Legislature has set forth for Transportation. The Board has always tried to do the right thing for the children of this District. Dr. Meyer asked if the Special Ed children who now go to Laguna and then to Aztec will be now staying at Laguna. Mrs. Cavanagh responded that they will be staying at Laguna, which will be one less change for those children. As for the Special Ed children who attend Aztec and then go on to Desert Canyon, they will be moving to Desert Canyon. However, that was a move they would have made regardless of a consolidation. Mrs. Healey responded that in other cases, some children will be returning to their home school. Further, assuming that the class sizes stay the same, the children will be moving with the same teachers they presently have.

Mrs. Holzer asked what the moving costs for Aztec and Cheyenne include. Dr. Peterson responded that the moving costs are just that, the estimates for the man-power and the materials that would be needed to pack up the classrooms and to move those classrooms to the new campuses. The funding for the actual moving costs would be out of the M&O budget. Mrs. Holzer asked how Dr. Peterson would break down the savings of \$850,000 by closing Cheyenne as far as staff and maintenance of buildings are concerned. Dr. Peterson responded that analysis was sent to the Board last spring and that he would resend it to Mrs. Holzer. Mrs. Holzer asked for a ballpark figure. Dr. Peterson responded that based on the maintenance and the utilities versus the manpower, it would be 70% Administration/30% operational costs. Mrs. Holzer asked if the additional buses were to be funded from Fund 625, Soft Capital. Dr. Peterson responded that is the Fund that is currently being used to purchase buses. The passage of the Capital Override enabled the District to use those funds to purchase curriculum and technology and not use Fund 625. Historically, the District has spent approximately \$500,000 a year on buses from Fund 625. Buses cost approximately \$100,000 each. Mrs. Holzer asked for clarification regarding when students are moved from one campus to another, there will be no improvements made of any kind to the current facility. There will be no contingency funds available to make adjustments to the cafeteria, the bus lanes, or those types of things. Dr. Peterson responded that the facilities will be assessed and normal work orders will be completed. The actual facility upgrade plan for the cafeteria is included in the Bond. The bus drop-off and pick-up are being programmed in and could be funded through Adjacent Ways. Mrs. Holzer asked if there would be funds available for these facilities for unforeseen problems such as a roof or an air-conditioning unit. Dr. Peterson responded that there are Building Renewal funds available, but Administration feels that the present facilities can appropriately serve the children that will be attending those schools. Further, for problems such as roofing, the same is true for every facility across the

State. If a roof came off of any of the District's facilities, the District would have to apply to the State Facilities Board (SFB) as an emergency deficiency. Those are the only dollars the State has given at this point. Mrs. Holzer asked why the District was proposing this consolidation before the passage of a Bond. Dr. Peterson replied that from his perspective, the District was spending more dollars to run three facilities and would actually incur savings with this consolidation. As for the District's facilities as a whole, they have been running on a shoe-string and will have to continue in the same manner. This consolidation would help because there would be less maintenance and fewer facilities to have catastrophic failures. The District would have a small safety net and is very concerned with its facilities. The District needs to do the Bond; there are facilities that need major work. Dr. Peterson stated that he has been working on this Master Facility Plan since he came to the District. The Board has asked for a Master Facility Plan for quite some time and it has taken years to develop. It was begun before consolidation was even mentioned. Mrs. Holzer asked if it made more sense to time it all together because there would be a full-scale facility to move into. Dr. Peterson responded that he believes at this point, the District needs to be efficient and would hope the Board would look at the efficiency part of the consolidation. Mrs. Holzer asked at what point were the discussions with the City of Scottsdale in regard to the Cheyenne site. The property still has to be maintained. In her discussions with the City of Scottsdale, there was no mention of taking down old buildings. She did not see those costs in the Administration's proposal. Dr. Peterson replied that he has met with City staff and the Parks and Recreation department and has had preliminary discussions with them in regard to ball fields at the Cheyenne site. They agreed that ball fields are needed in that area. The District would look to the City for those development costs, not the District. The City would be operating those ball fields. The District would have an Intergovernmental Agreement (IGA) with the City. Dr. Peterson has purposely not gone further with those discussions in anticipation of the Board's decision. Dr. Peterson stated the City has expressed interest in the proposal and if they did not have the dollars, they would not have indicated their interest. Mrs. Holzer stated she appreciates the plan to try and cut overhead; however, she thinks it is preliminary and feels that the cost-savings is minimal.

Mr. Schaefer stated that he agrees with many comments made by Dr. Meyer regarding the current state of the economy. Therefore, it seems to him expenditures of any kind should be kept at a bare minimum. He also is looking at the potential cost-savings that will be achieved by this consolidation, \$850,000 per year. That represents an annuity for twenty years with a reasonable return of 3% which equals approximately \$17 million. Even if the District only achieves half of that amount without the implicit interest rate, the return would be \$8.5 million. He believes the cost-savings will be significant and that it is prudent for the District to follow that principle. Mr. Schaefer's one concern is to make sure that Administration addresses the needs of Special Ed students and do not put those children at any disadvantage. Dr. Baracy responded that there is no way that the District would put its special needs students at risk in this plan.

Ms. Beckvar stated that she was a Board Member when the District had to make significant operational cuts in the past with a budget deficit of \$3 million. That means higher class sizes or fewer programs or services. The District has put back into place some of the things it had to take out such as full-time Assistant Principals at all of the elementary schools. This is, she thinks, a question of urgency. The longer the District waits, the less money it recoups. The District has additional space, even with this proposed consolidation. If parents and teachers wish to have a specialized program, there is space at Desert Canyon and Copper Ridge. Those programs can be moved or continued in either of those locations. What she has not seen brought forward are what

cuts would be made instead in order to maintain the campuses in their current sites for the near future. Based on the way the State economy is headed, Ms. Beckvar feels the District is going to be making cuts in its budget for next year. For the Board not to do what is appropriate in this case would be difficult to explain.

Dr. Meyer stated that he would like to respond to comments Mrs. Holzer made. There will not be 1,000 students on the Aztec/Zuni campus. The District controls all its campus' enrollment and has set capacities District wide and limits open enrollment once those capacities are met. It looks like there will be 800-900 students, just as there are at Hopi, Kiva, Tavan, Yavapai and at other District sites. He also stated that he does not think \$800,000 is a minimal amount of money. Those are tax payer dollars and should not be wasted when given the opportunity to make the right decisions for SUSD students.

Mrs. Holzer asked, in regard to the contingency funds for these two schools, if those funds will be available if needed. Dr. Peterson responded that contingency funds will be available for every school in the District.

Ms. Beckvar added that there have been over 900 students on the Aztec campus and close to that on the Zuni campus in the past.

Mrs. Petersen asked what will be the cost to maintain the Cheyenne site after it is closed. Dr. Peterson responded that he will have the exact amount for the October 30th Board meeting, but he would guess it would be approximately \$30,000 including utilities and those types of costs. Mrs. Petersen, in regard to the questions on a cafeteria, asked if the space is comparable to the current cafeteria space. Dr. Baracy responded that in 1997, the 40th day count at Zuni was 1026 students and they all ate in the cafeteria. Dr. Baracy reiterated that this proposal is not contingent on a Bond issue. Further, in regard to buses, they are going to be purchased anyway and historically have been purchased out of the Fund 625. The Board has asked Administration to look at some very difficult challenges. It has not been easy. However, the data presented is very accurate and if the Board chooses to approve this plan, it works. Ms. Beckvar reiterated that all of the suggestions that have come forward have been looked at and vetted. The proposal being presented is the most reasonable approach to solving the situation in that part of the District. Mrs. Petersen added that the Board has received emails from not only the Aztec community, but the rest of the District, asking them to do the fiscally responsible thing for all children in the District. This is not a rush to judgment; this has been discussed for months.

Ms. Beckvar repeated the motion already on the floor:

Ms. Beckvar moved the Board set a hearing date for October 30, 2008, pursuant to A.R.S. §15-341(A)(36) and (41) to discuss the proposal to consolidate Aztec and Zuni at the Zuni site and move Cheyenne to the Aztec site. At the hearing, the Board will hear reasons for and against the proposal, present proposed changes to the attendance boundaries, and allow for public comments regarding attendance boundary changes. Mr. Schaefer had seconded the motion.

The motion was approved with a vote of 4 – 1 (Mrs. Holzer voted NAY).

Ms. Beckvar directed the Administration to notify parents accordingly of the District's proposal to consolidate schools. Dr. Baracy stated that Administration's plan is to send a letter to all parents in the affected area and have a notice on the District's Website.

Motion #46 Repeated
and Approved

Direction Given to
Administration –
Notification of Proposal
to Consolidate Schools

The notice will also be published in the local newspaper, meeting any legal requirements. The notice will also be posted at the schools.

Ms. Beckvar introduced Dr. Bill Attea and Dr. Fred Schroeder, the two consultants from Hazard, Young, Attea & Associates (HYA), the firm hired to help the District with a Superintendent Search. The consultants were present at the meeting to review their firm’s plan to help SUSD in its search for a new Superintendent. Ms. Beckvar also noted that Paige Frenkel and Bonnie Sneed, two candidates not presently sitting on the Governing Board and running in the election for Board Members, were present in the audience so that they could be parties to the process. It was also noted that if either Ms. Frenkel or Ms. Sneed had any questions about the process, they could direct their questions to Ms. Beckvar or Mrs. Como.

Introduction of Superintendent Search Consultants – Hazard, Young, Attea & Associates (HYA)

Ms. Beckvar began with a review of the community and some of the expectations of the community. Ms. Beckvar stated that Dr. Baracy has worked hard over the last four years in making things as transparent as possible. When the Board held its last search four years ago, it tried to keep it as a very involved process with the community. There were multiple meetings with various groups to develop the leadership profile, as well as a community group consisting of the three presidents of the employee associations, the president of the parent council, as well as a community member, who all participated in the finalist interviews. In addition, there were community forums in several locations with the finalists. There were also community meetings with bilingual support for that portion of the District where English is not the native language to help include that population in developing the leadership profile. That entire process worked very effectively; it kept the community involved in the process. Ms. Beckvar would like to see that process repeated.

Expectations of Community

Dr. Schroeder and Dr. Attea reviewed their flow chart and calendar they would like the Board to establish in regard to meetings with HYA. It was decided that the consultants would meet with Board Members, Administration, the three employee associations, and members of the community in separate meetings to be held October 19 – 21, 2008 for input in developing a Leadership Profile. There are two workshops given by HYA included in the contract. The first workshop takes place before hiring a Superintendent and deals with the roles and responsibilities, norms and communications, trusteeship, how to build a team with the Superintendent and those types of topics. The second workshop would be held after the Superintendent is hired and is focused on the Board and Superintendent clarifying expectations for the new Superintendent.

Flow Chart and Calendar

It was decided that HYA will present the Leadership Profile report for discussion on November 18, 2008 at 1:00 PM in a Special Board Meeting. Thereafter, at the Regular Board Meeting on November 18th, HYA will make a short presentation giving a synopsis of the Leadership Profile along with the criteria. It was noted that the November 18, 2008 Regular Board meeting will be rescheduled to begin at 3:00 PM due to a conflict with another District event to take place that evening. The first workshop would take place on November 19th from 8:30 AM. – 1:00 PM.

Presentation to Board of Leadership Profile

Ms. Beckvar stated that the interview process should also involve the presidents of the employee associations, as well as community input in selecting the finalists. Also, there will be more than one finalist. Public Forums will be held for interviewing the finalists. Dr. Attea stated that the entire interview process takes approximately three weeks. That includes developing the slate, initial interviews, bringing the candidates back for a second set of interviews and community forums, site visitation, if desired by Board Members, contract negotiations and formal appointment. HYA will meet with

Interview Process

the Board January 31, 2009 to present the slate of candidates. This meeting will be followed that day by an interview workshop. It was decided that the first interview weekend would take place February 6 and 7, 2009. Finalists would be identified on February 7th. HYA would then perform reference checks and comprehensive background checks. The finalists would then meet with the Board, Administration, employee groups, staff and community members February 17, 18 and 19. The Board will meet on February 20th in the morning to make a decision on the finalist. If the Board wished, it would then visit the finalist's employment site the week of February 23rd. On March 3, 2009, the Board will make an announcement naming the finalist for the Superintendent position and enter into contract negotiations. The retreat with the Board and the new Superintendent will be on a date to be determined.

For the record, Mrs. Holzer left the meeting at 12:20 PM.

Mrs. Petersen moved that the Board appoint Ms. Beckvar as its liaison with HYA and Sondra Como as Administrative liaison with HYA. Mr. Schafer seconded the motion.

The motion was approved with a vote of 4 – 0 (Mrs. Holzer had left the meeting).

At 12:40 PM, Mrs. Petersen moved to adjourn the meeting. Mr. Schaefer seconded the motion.

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

Dated this 24th day of September 2008.

The Governing Board of the Scottsdale Unified School District #48

Karen Beckvar, President

Eric Meyer, Clerk

Molly Holzer

Jennifer Petersen

Dieter Schaefer

Mrs. Holzer Leaves Meeting

Motion #47
Appointment of Liaisons with HYA

Motion #48
Adjournment