

**DES MOINES PUBLIC SCHOOLS
REGULAR SCHOOL BOARD MEETING
AND WORK SESSION
MULTI-PURPOSE ROOM
1800 GRAND
MINUTES
DECEMBER 10, 2013**

PUBLIC FORUM — 5:46 P.M. – 5:55 P.M.

The Board of Directors held a public forum on Tuesday, December 10, 2013, in the multi-purpose room at 1800 Grand Avenue, Cindy Elsbernd presiding.

Present: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney
Speakers: Paulette Wiley, 1220 42nd Plaza, West Des Moines
Joyce Bruce, 3505 275h Pl., Des Moines
Emma Edwards, 3423 SW 35th St., Des Moines

REGULAR MEETING — 6:01 P.M.

Ms. Elsbernd called the December 10, 2013, meeting of the Des Moines Public Schools Board of Directors to order.

Present: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

APPROVAL OF AGENDA — 6:01 P.M.

Mr. Howard moved approval of the agenda; seconded by Ms. Boesen.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney
Nay: None
Motion passed 7-0.

APPROVAL OF MINUTES — 6:02 P.M.

Pastor Cheatom moved approval of the minutes for November 19, 2013; seconded by Mr. Barron.

Aye: Barron, Boesen, Cheatom, Elsbernd, Howard, Sweeney
Nay: None
Abstain: Caldwell-Johnson
Motion passed 6-0.

Ms. Boesen moved approval of the minutes for December 3, 2013; seconded by Mr. Howard. Members who attended the meeting then voted.

Aye: Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard
Nay: None
Motion passed 5-0

CONSENT ITEMS — 6:03 P.M.

7. Architect Payments	1
8. Construction Payments	3
9. Award of Contracts on Bid	5
10. Contract for Approval	7
11. Grant Management Software	8
12. Title I Supplemental Education Services for Fall	9
13. Adoption and Purchase of Textbooks for Non-public Schools	10
14. Physical Education Waiver—Comprehensive High Schools	11
15. Physical Education Waiver—Alternative Programs.....	12
16. FY '15 Board Budget Parameters	13
17. Approval of Audit Committee Charter	14
18. Request for Open Enrollment Under the Iowa Open Enrollment Law	15
19. Personnel Recommendations	16
20. List of Bills for Approval.....	18

Minutes

Mr. Sweeney moved that the board approve the consent items including the payment of bills previously authorized and certified by the secretary in the amount of \$3,866,010.91 and unpaid bills in the amount of \$2,952,751.46; seconded by Ms. Boesen.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Sweeney

Nay: None

Abstain: Howard

Motion passed 6-0.

Public Hearings — 6:04 P.M.

21. MidAmerican Energy for Underground Electrical Line Easement—Lincoln RAILS at Kurtz (1000 SW Porter Avenue).....	19
22. Brody Middle School Roof Replacement	20
23. Greenwood Elementary School Masonry Restoration	21
24. Willard Elementary School Wall Restoration.....	22

Other — 6:09 P.M.

25. Superintendent's Facility Advisory Committee Update	23
26. External Audit Report—Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2013	26
27. Fox Lawson Compensation Study Report.....	29
28. Finalization of the Sale of Statewide Sales Tax Bonds, Series 2013.....	35
29. Dropout Prevention Maximum Funding and Tax Levy Rate	37
30. Early Retirement Option.....	39

ITEMS OF PRIVILEGE — 7:53 P.M.

31. Chair's Report

Ms. Elsbernd stated the district's Youth Advisory Committee has been meeting and divided into subcommittees. One goal is helping the district devise a meaningful curriculum in preparation for inviting all students to participate in a service opportunity on Martin Luther King Day.

She invited the board to join her in the state's Live Healthy Iowa ten-week wellness challenge from January 27 through April 4.

32. Superintendent's Report

Mr. Ahart stated the following quote is on the district's digital billboard:

*"Education is the most powerful weapon which you can use to change the world."
Nelson Mandela*

It reflects what the community stands for and how that's reflected in the legacy of Mr. Mandela (d. Dec. 5, 2013).

Mr. Ahart joined a small team from Hoover High School in Iowa City yesterday and learned about redesigning learning spaces to support learning around science, technology, engineering and math (STEM). Gov. Branstad was at Greenwood Elementary School launching his Greatness STEMS from Iowans initiative. Both schools are just two examples of the outstanding work being done around STEM in DMPS by our outstanding teachers and building administrators.

Lily Nellans broke the all-time National Forensics League points record over the weekend. Congratulations to Lily, Coach Strong and entire Roosevelt debate team which had an outstanding performance overall as a team at George Mason University this weekend.

The teachers association had a day of action on Monday, focusing on a winter clothing drive. The SUCCESS staff will assist in distributing the items to families. This is another example of our teachers going above and beyond to ensure students and families are being taken care of.

Ms. Caldwell-Johnson brought up the position of equity officer that was referenced in the public forum. Mr. Ahart stated the position was posted last winter but decided to delay it since the opportunity arose to do a more substantive change. Chief Human Resources Officer Anne Sullivan stated she is meeting with former staff Mary Lynne Jones to review her former role and plans to fill the position this spring.

ADJOURN — 7:58 P.M.

The chair adjourned the regular meeting. Following a short break, the board will convene for the scheduled work session.

WORK SESSION* — 8:15 P.M.

The board convened a work session at 8:15 p.m. in the multi-purpose room at 1800 Grand Avenue.

Present: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney.
Also present: Administrators Tom Ahart, Thomas Harper, Anne Sullivan, Cathy McKay, Patricia Lantz, and Gregg Cuellar.

Discussion was held on:

1. The Board's Operating Agreement. The subcommittee will continue its work and supply a draft at the next work session.
2. The Board named a subcommittee to work on the early retirement package: Bill Howard, Connie Boesen, Pat Sweeney and Toussaint Cheatom.
3. There were no questions about the budget parameters.

The meeting adjourned at approximately 9 p.m.

*No recording of the work session is available.

Item No. 7

Page 1 of 2

Subject: ARCHITECT PAYMENTS

For: ACTION

Contact: Bill Good

Attachments: None

(harold.good@dmschools.org; 242-8321)

Issue: Payment of architect/engineer invoices.

Superintendent's Recommendation: The superintendent recommends that the following architect/engineer payments be authorized.

<u>Architect/Engineer/Project</u>	<u>Percent Paid</u>	<u>Estimated Fee</u>	<u>Previous Payments</u>	<u>Current Payment</u>
<u>Design Group</u>				
Hoyt Middle School Architect App 17 (SWP)	95%	\$375,000.00	\$347,137.50	\$9,112.50
Edmunds Elementary FINAL PAYMENT (SWP)	100%	\$566,500.00	\$541,728.00	\$24,772.00
<u>Wells + associates</u>				
Casady Education Center Architect App. 9 (SWP)	76%	\$390,380.00	\$287,763.20	\$9,296.39
<u>OPN Architects</u>				
Merrill Middle School Architect App. 07 (SWP)	57%	\$94,040.00	\$43,901.22	\$10,091.32
<u>KCL Engineering</u>				
Prospect Support Facility Architect App 13 (SWP)	93%	\$106,568.00	\$97,705.00	\$3,971.00
<u>Alvine Engineering</u>				
Lincoln RAILS Architect App. 4 (SWP)	68%	\$273,200.00	\$167,963.36	\$17,812.64
North High School HVAC Architect App. 1 (SWP)	28%	\$78,000.00	\$0.00	\$22,120.80

Item No. 7

Page 2 of 2

RDG Planning and Design

Park Avenue Elementary Architect App. 15 (SWP)	93%	\$96,250.00	\$88,901.50	\$952.88
Pleasant Hill Elementary Architect App. 16 (SWP)	92%	\$342,000.00	\$303,995.60	\$9,030.16
Central Campus Phase 4 Architect App. 01 (SWP)	8%	\$463,175.00	\$0.00	\$38,211.94

TOTAL \$145,371.63**Presenters:** None**Background:** None**Contact:** Bill Good

Item No. 8

Page 1 of 2

Subject: CONSTRUCTION PAYMENTS**For: ACTION****Contact: Bill Good**

(harold.good@dmschools.org; 242-8321)

Attachments: None

Issue: Payment of contractor invoices.**Superintendent's Recommendation:** The superintendent recommends that the following contractor and supplier payments be authorized.

<u>Contractor</u>	<u>Percent Paid</u>	<u>Estimated Fee</u>	<u>Previous Payments</u>	<u>Current Payment Due</u>
<u>Cerebral</u> Jefferson Elementary Addition (SWP) GC App. 10 Sealed Bid No. B6641	95%	\$5,178,251.00	\$4,859,838.37	\$59,500.08
<u>Pro Commercial</u> Park Avenue Renovation (SWP) GC App. 08 Quote No. B6693	95%	\$1,989,456.00	\$1,878,951.80	\$11,031.40
<u>Dean Snyder</u> Hoyt Middle School Addition / Ren. (SWP) GC App. 9 Sealed Bid NO. B6658	95%	\$7,911,509.00	\$7,453,466.30	\$33,620.50
<u>REEP, Inc.</u> Harding Windows GC App. 01 Sealed Bid No. B6789	2%	\$731,230.00	\$0.00	\$15,629.40
<u>A J Allen</u> Hoover VAV GC App. 7 (SWP) Sealed Bid No. B6722	95%	\$762,350.00	\$723,768.90	\$463.60

Item No. 8

Page 2 of 2

Edge Commercial

Pleasant Hill School Addition (SWP) GC App. 10 Sealed Bid No. B6640	95%	\$4,125,324.00	\$3,886,691.30	\$20,508.60
--	-----	----------------	----------------	-------------

Print Shop GC App. 2 Sealed Bid No. B6787	36%	\$506,900.00	\$25,327.00	\$157,504.30
---	-----	--------------	-------------	--------------

Rochon Corp.

Casady Educ. Center GC App. 2 Sealed Bid No. B6776	15%	\$7,687,833.00	\$510,623.33	\$618,846.52
--	-----	----------------	--------------	--------------

Lang Construction

Findley Elementary Addition (SWP) GC App. 10 Sealed Bid No. B6613	95%	\$4,713,055.00	\$4,470,746.71	\$3,336.27
--	-----	----------------	----------------	------------

Two Rivers Group

Prospect Facility App. 7 (SWP) Sealed Bid No. B6706	92%	\$2,495,063.58	\$2,235,122.41	\$64,909.89
---	-----	----------------	----------------	-------------

TOTAL				\$985,350.56
--------------	--	--	--	---------------------

Presenters: None**Background:** None**Contact:** Bill Good

Item No. 9**Page 1 of 2****Subject: AWARD OF CONTRACTS ON BID****For: ACTION****Presentations: None****Contact: Various****Attachments: None**

Issue: Bids have been advertised, issued and received for various equipment items, supplies, and services as outlined below.

Superintendent's Recommendation: The superintendent recommends the contracts as shown below be approved.

Background: The suggested bid awards and detailed information for each of the bids are as shown below. Where cost comparisons are shown, they are merely a representative sample of the item on the bid, and are not intended to be all inclusive.

A. B6843 Small Kitchen Equipment

Douglas Equipment	Bluefield, WV	\$32.895.85
-------------------	---------------	-------------

The suggested award is low bid meeting specifications. Bids were examined by the Purchasing Department. A complete tabulation of the bid is available at:
<http://www.dmschools.org/wp-content/uploads/2011/10/B6843-Bid-Tabulation.pdf>
42 Bids were mailed, 7 Bids were received

Funding Source: Food and Nutrition Accounts

Contact: Sandy Huisman
(sandy.huisman@dmschools.org; 242-7636)

B. RFP6805 CDD, Workflow and Webform Services for Business PLUS (SunGard)

The district wishes to establish a consulting contract for work with the ERP system currently being used, SunGard's BusinessPlus 7.9 Human Resources and Financial Management product in order to more efficiently maintain programs and services that support the educational mission of the district. RFP 6805 was posted on October 7, 2013. Two bids were received and are available for review at:
<http://www.dmschools.org/wp-content/uploads/2011/10/RFP6805.pdf>

Administration has chosen Robert Sesnon as top bid.

Item No. 9

Page 2 of 2

Expenses: Total cost will vary depending on district needs. Quotes were based on hourly and recurring cost.

Funding Source: Technology Funds

Term: Long Term

New or Renewal: New

Contact: Nick Lenhardt
(nicholas.lenhardt@dmschools.org; 242-7745)

Item No. 10

Page 1 of 1

Subject: CONTRACT FOR APPROVAL

For: ACTION

Presentation: None

Contact: Various

Attachment: None

Superintendent's Recommendation: The superintendent recommends the contract as shown below be approved.

Contract No. 13-045

Project: Information Technology Governance

Contractor: Convectus Solutions

Background: The district has requested an assessment of our current information technology governance structure, projects and future plans. Recommendations for a detailed implementation plan will aid in bringing DMPS into the digital age. In October of 2012 Convectus Solutions was contracted for a "best practice" review of the payroll and human resources departments. Prior knowledge and work with DMPS will aid in the efficient completion of the project.

Financial:

Revenues: \$0

Expenses: \$22,400 plus expenses

Funding Source: General Fund

Term: December 2013 through January 2014

New or Renewal: New

Contact: Thomas Harper

(thomas.harper@dmschools.org; 242-7745)

Item No. 11**Page 1 of 1****Subject: GRANT MANAGEMENT SOFTWARE****For: ACTION****Presentation: None****Contact: Thomas Harper****Attachment: None**(thomas.harper@dmschools.org/242-7745)

Issue: Grant Management Software**Superintendent's Recommendation:** The superintendent recommends the board approve the bid for eCivis, Inc.**Presenters:** None**Background:** The district wishes to acquire a system which will maximize its ability to locate and efficiently administer (grant) funding sources necessary to maintain programs and services that support the educational mission of the district.

The project includes a centralized grants management software system able to integrate with the district's ERP system (SunGard's Integrated Financial & Administrative Solutions System (IFAS)) which will allow its staff to coordinate the research, tracking, and reporting of all aspects of the grant lifecycle.

The district's objectives of selecting a grant management program are:

- Improve internal communication across the district among staff.
- Improve external communication between staff and funders.
- Streamline grant tracking and management across the district.
- Improve grant compliance and reporting.
- Research and identify grants available (federal, state, corporate, and foundation grants).
- Monitor grant deadlines and outcomes.

The district went out for bid; RFP6802 was posted on October 7, 2013. Four bids were received and are available for review at:

<http://www.dmschools.org/departments/operations/purchasing-central-stores/purchasing/open-proposals/>

Administration has chosen eCivis as top bid.

Expense: \$37,000**Funding Source:** General Fund

Item No. 12**Page 1 of 1****Subject: TITLE I SUPPLEMENTAL EDUCATION SERVICES FOR FALL****For: ACTION****Presentation: None****Contact: Holly Crandell****Attachment: None**

(holly.crandell@dmschools.org/242-7568)

Issue: Requests for Supplemental Education Services for students in Title I schools designated as Schools in Need of Assistance (SINA).

Superintendent's Recommendation: The superintendent recommends the board approve the services shown below as requested by the parents.

Presenters: None, Holly Crandell will be available to answer any questions.

Background: Federal regulations require all Title I schools designated as Schools in Need of Assistance (SINA), year 2 and beyond, to offer students SES services. All 24 of the district's Title I schools must offer SES. Districts required to provide SES must reserve a minimum of 5 percent of their district Title I allocation for these services. The Iowa Department of Education calculates a per pupil allocation for each district for SES services. The DMPS SES per pupil allocation is a maximum of \$1,070 in SES funding for services during the 2013-2014 school year. Parents/guardians may select from among 30 providers for SES services and the district is billed by the provider for these services.

Parents/guardians have made the following requests:

Alternatives Unlimited	35 students	\$37,450
Mobile Minds Tutoring	100 students	\$107,000
Sylvan Learning Center	80 students	\$85,600

Funding Source: Title I

Item No. 13**Page 1 of 1****Subject: ADOPTION AND PURCHASE OF TEXTBOOKS FOR NON-PUBLIC SCHOOLS****For: ACTION****Presentation: None****Contact: Holly Crandell****Attachment: None**(holly.crandell@dmschools.org/242-8170)

Issue: Section 301.1 of the Iowa Codes provides that:

" Textbooks adopted and purchased by a school district may, and shall to the extent funds are appropriated by the General Assembly, be made available to pupils attending non-public schools upon request of the pupil or the pupil's parent under comparable terms as made available to public schools."

Superintendent's Recommendation: The superintendent recommends the board recommends the following textbooks be purchased by the Des Moines Public Schools for use by non-public school students.

Background: The Department of Education's procedures on textbooks for non-public school state that, "It is permissible for boards of directors to adopt the textbook series used by the non-public schools if they differ from those adopted for the school district. The only exception would be religious books."

Accordingly:

These materials have been approved by non-public school textbook committees. These textbooks meet all the multicultural, nonsexist criteria and are not of a religious nature.

Voces eTextbook Exploratory Spanish, First-year Spanish, and Second-year Spanish Teachers Discovery

Total: \$297.00

Funding Source: Non-public textbook budget for Grandview Park Baptist School

Item No. 14**Page 1 of 1****Subject: PHYSICAL EDUCATION WAIVER—COMPREHENSIVE HIGH SCHOOLS****For: ACTION****Presentation: None****Contact: Holly Crandell**
(holly.crandell@dmschools.org/242-8170)**Attachment: None**

Issue: All five comprehensive Des Moines Public School High Schools are requesting that physical education classes be offered on the basis of every day for one semester as opposed to every other day both semesters during the school year. The state code requires that a waiver be requested to do this.

Superintendent's Recommendation: The superintendent recommends the board approve the request for a waiver.

Presenters: None

Background: By allowing students to take one full semester of physical education, the student will have the opportunity to take more core classes during the other semester.

Item No. 15**Page 1 of 1****Subject: PHYSICAL EDUCATION WAIVER—ALTERNATIVE PROGRAMS****For: ACTION****Presentation: None****Contact: Holly Crandell**
(holly.crandell@dmschools.org/242-8170)**Attachment: None**

Issue: Alternative education programs in the Des Moines Public Schools are requesting that students attending these programs be required to participate in Contract PE. The state code requires that a waiver be requested to do this.

Superintendent's Recommendation: The superintendent recommends the board approve the request for a waiver.

Presenters: None

Background: Students would participate in a physical activity a minimum of 15 hours for one semester of each school year. An application would be completed and signed by the student, parent/guardian, and the Building PE Chairperson. Students would receive a Pass/Fail Grade.

Item No. 16

Page 1 of 1

Subject: FY '15 BOARD BUDGET PARAMETERS

For: ACTION

Presentation: None

Contact: Thomas Ahart

Attachment: 13-074

(thomas.ahart@dmschools.org/242-7766)

Issue: FY '15 Board Budget Parameters

Superintendent's Recommendation: The superintendent recommends the board approve the FY '15 Budget Parameters as presented.

Presenters: NA

Background: The board has worked at establishing the budget parameters for FY '15 over the past two months. After the November 19 work session, Mr. Ahart revised the parameters according to the discussion and redistributed to the board. The parameters presented are the same as those distributed to the board after the last work session.

Item No. 17**Page 1 of 1****Subject: APPROVAL OF AUDIT COMMITTEE CHARTER****For: ACTION****Presentation: None****Contact: Brett Zeller****Attachment: 13-079**(brett.zeller@dmschools.org/242-7685)

Issue: Approval of charter for Audit Committee.**Superintendent's Recommendation:** The audit committee and superintendent recommend the board approve the charter for Audit Committee.**Presenters:** None**Background:** Policy Codes 217 state that the Audit Committee function shall be guided by board-approved charter. The audit committee is responsible for reviewing, updating, and obtaining Board approval of said charters. The audit committee performed the review of the charter. In November 2013, the committee revised the charter to incorporate suggestions from the annual audit committee self-assessment. The revisions are highlighted on the attachment.**Funding Source:** None

Item No. 18**Page 1 of 1****Subject: REQUEST FOR OPEN ENROLLMENT UNDER THE IOWA OPEN ENROLLMENT LAW****For: ACTION****Presentation: None****Contact: Susie Tallman****Attachment: None**

(susan.tallman@dmschools.org/242-7725)

Issue: Request for open enrollment for the 2013-2014 school year.**Presenters:** none

Background: State open enrollment code allows for students to submit an application after the March 1 deadline if it meets several defined good cause reasons. If the good cause reason is due to severe harassment or pervasive health needs, the Code allows for the board to make the determination on the decision. Determination needs to be made based on whether the district is able to sufficiently accommodate the students' needs. Additional confidential information has been provided to the board members.

Superintendent's Recommendation: The superintendent recommends the board deny this application.

Student Name	Grade	Requested District
Folks, Ranaya	10	CAM

Item No. 19

Page 1 of 2

Subject: PERSONNEL RECOMMENDATIONS**For: ACTION****Presentation: None****Contact: Anne Sullivan****Attachment: None**

(anne.sullivan@dmschools.org/242-7763)

Superintendent's Recommendation: The superintendent recommends the board approve the personnel recommendations.

LEAVE OF ABSENCE

Name	School, Position	Effective Date
Carter III, Aaron	Samuelson, Multicategorical	08/15/2014

RESIGNATION

Name	School, Position	Effective Date
Pinkerton, Dorinda	Roosevelt, Math	12/20/2013

EARLY RETIREMENTS (effective date for all early retirements will be the last day for the 2013-14 school year)

Name	School	Position
Baker, Teresa	McKinley	In Cls Reading/Math/EL Test Sp Stp
Baty-Brewton, Constance	Central Campus	Vice Principal
Bock, Jeffrey	Central Campus	Graphic Comm
Brewton, Cecil	Carver	Principal
Britt, Donna	Jackson Elem	1st grade
Camacho-Aguilar, Romona	Jackson Elem	Kindergarten
Carnahan, Steven	Future Pthwys/Gateway	Counselor
Culp, Deanna	Jackson Elem	Principal
Denman, Nena	Hillis	ELL
Dycus, Mary	Hoover HS	Spanish
Eller, Nadene	Hoover HS	Librarian
Elliott, Marcia	Central Campus	Drafting
Essex, Toni	River Woods	3rd Grade
Forucci, Angela	Stdnt Svc WT	Speech Path
Gissel, Sheryl	Phillips	Kindergarten
Grylls, Peggy	Monroe	3rd Grade
Hawbaker, Cheryl	Smouse	Special Ed
Hurley, Sheryl	Morris	1st Grade
Jensen-Bock, Patricia	Hoover HS	Art
Kelly, Mary	Madison	Multicat
Killam, Linda	Jackson Elem	3rd Grade
Kucharski, Roxanne	East HS	Counselor
Leahy, Joseph	Hoyt MS	Art
Lee, Lana	Jackson	1st grade .5/In Cls Rdg .25/ Rdg Recvry .25
Legg, Teri	Student Svc@WD	Support Tch
Mackey, Diann	Willard	ELL

Item No. 19

Page 2 of 2

EARLY RETIREMENTS *(effective date for all early retirements will be the last day for the 2013-14 school year)*

Name	School	Position
Mattern, Sheryl	Jefferson	Kindergarten
McMahon, Thomas	Weeks MS	Science
Mead-Rickman, Grace	Oak Park	In Class Reading
Mortale, Sandra	Jackson	Instrct Coach/In Cls Rdg/Dean Stipend
Olson, Pamela	Jefferson	4th Grade
Perkins, Barbara	Brubaker	Counselor
Pettit, Lynn	Jefferson	2nd Grade
Ryherd, Victoria	Goodrell MS	Nurse
Schwartz-Corona	Carver	In Class Reading/Math
Van Dyke, Gerald	Central Campus	Marine Sciences
Wolf, Elaine	Central Campus	Restaurant Mgmt.

Name	Position	Amount	Effective Date
Mason, Sheila	Human Resources Director for Classified Staff	\$118,000	01/02/2014

Education: Master of Public Administration – Human Resource Emphasis, Drake University. Bachelor of Science and Humanities, Iowa State University, 1984. Experience: Director of Operations, Des Moines Public Schools, 2010 – Present. Executive Director of Operations, 2008 – 2010. Executive Director of Management Support Services, 2005 – 2008. Gannett, Inc. / The Des Moines Register, 1985 – 2005. Address: Des Moines, IA

Item No. 20**Page 1 of 1****Subject: LIST OF BILLS FOR APPROVAL****For: ACTION****Presentation: None****Contact: Thomas Harper**
(thomas.harper@dmschools.org/242-7745)**Attachment: None**

Issue: A list of previously paid and unpaid bills will be reviewed by one of the directors prior to the meeting who may randomly or specifically select various entries for detailed review with Business and Finance staff. Such director will make a motion for action to be taken by the board at the meeting.

Item No. 21**Page 1 of 1****Subject: MIDAMERICAN ENERGY FOR UNDERGROUND ELECTRICAL LINE
EASEMENT- LINCOLN RAILS AT KURTZ (1000 SW PORTER AVENUE)****For: PUBLIC HEARING / ACTION****Presenters: None****Contact: Bill Good****Attachments: None**

(Harold.good@dmschools.org; 242-8321)

Issue: Granting of an underground electric line easement at Lincoln Rails, 1000 SW Porter Avenue to MidAmerican Energy.

On December 3, 2013 the Board of Directors approved a resolution to hold a public hearing. As required by law, the notice of public hearing was published on December 4, 2013.

DESCRIPTION OF PROPERTY CONTAINING EASEMENT AREA: Lots 4, 10 and 17, and the North 225 feet of Lots 15 and 15, all in Nichol's Place, an Official Plat, in Polk County, Iowa.

DESCRIPTION OF PROPERTY EASEMENT AREA: A 10.00 feet wide underground electric easement over, under, across and through the previously described property as shown on Exhibit "A" attached hereto and made a part hereof.

Superintendent's Recommendation: The superintendent recommends the board approve the granting of a permanent underground electric line easement to MidAmerican Energy for \$1.

Minutes

The public hearing was opened at 6:04 p.m.; with no speakers present, it was closed at 6:04 p.m.

A motion to approve the superintendent's recommendation was made by Mr. Barron; seconded by Ms. Caldwell-Johnson.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion passed 7-0.

Item No. 22**Page 1 of 1****Subject: BRODY MIDDLE SCHOOL ROOF REPLACEMENT****For: PUBLIC HEARING/ACTION****Presentations: None****Contact: Bill Good****Attachments: None**harold.good@dmschools.org; 242-8321)

Issue: The approval of final plans and specifications for roof replacement at Brody Middle School.

Superintendent's Recommendation: The superintendent recommends the board approve the final plans and specifications prepared for the replacement of the roofing materials.

Presenters: None. Bill Good will be present to answer any questions.

Background: To correct the moisture infiltration problems roofing will be removed and replaced. Bids are due on January 7, 2014. Facility Management will seek board approval of the lowest responsive, responsible bid at the January 21, 2014 board meeting.

Plans are available at the Operations Center, 1917 Dean Ave.

Funding: Physical Plant and Equipment Levy (PPEL)

Minutes

The public hearing was opened at 6:05 p.m.; with no speakers present, it was closed at 6:05 p.m.

A motion to approve the superintendent's recommendation was made by Ms. Caldwell-Johnson; seconded by Mr. Howard.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion passed 7-0.

Item No. 23

Page 1 of 1

Subject: GREENWOOD ELEMENTARY SCHOOL MASONRY RESTORATION

For: PUBLIC HEARING/ACTION

Presentations: None

Contact: Bill Good

Attachments: None

(harold.good@dmschools.org; 242-8321)

Issue: Due to water leaks from masonry deterioration the building is in need of masonry repair.

Superintendent's Recommendation: The superintendent recommends the board approve the plans and specifications prepared for the repairs to the envelope of the masonry building.

Presenters: None. Bill Good will be available to answer any questions.

Background: To correct the moisture infiltration problems masonry will be removed and replaced. Bids will be solicited as detailed in Chapter 26 of the Iowa code. Bids are due January 7, 2014. Facility Management will seek board approval of the lowest responsive, responsible bid at the January 21, 2014 board meeting.

Plans are available at Operations Center, 1917 Dean Ave.

Funding Source: Physical Plant and Equipment Levy (PPEL)

Minutes

The public hearing was opened at 6:06 p.m.; with no speakers present, it was closed at 6:06 p.m.

A motion to approve the superintendent's recommendation was made by Ms. Boesen; seconded by Mr. Sweeney.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion passed 7-0.

Item No. 24**Page 1 of 1****Subject: WILLARD ELEMENTARY SCHOOL WALL RESTORATION****For: PUBLIC HEARING/ACTION****Presentations: None****Contact: Bill Good****Attachments: None**harold.good@dmschools.org; 242-8321)

Issue: Due to water leaks from masonry deterioration the building is in need of masonry repair.

Superintendent's Recommendation: The superintendent recommends the board approve the plans and specifications prepared for the repairs to the envelope of the masonry building.

Presenters: None. Bill Good will be available to answer any questions

Background: To correct the moisture infiltration problems masonry will be removed and replaced. Bids will be solicited as detailed in Chapter 26 of the Iowa code. Bids are due January 14, 2014. Facility Management will seek board approval of the lowest responsive, responsible bid at the February 4, 2014 board meeting.

Plans are available at Operations Center, 1917 Dean Ave.

Funding Source: Physical Plant and Equipment Levy (PPEL)

Minutes

The public hearing was opened at 6:06 p.m.; with no speakers present, it was closed at 6:06 p.m.

A motion to approve the superintendent's recommendation was made by Pastor Cheatom; seconded by Ms. Caldwell-Johnson.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion passed 7-0.

Item No. 25**Page 1 of 3****Subject: SUPERINTENDENT'S FACILITY ADVISORY COMMITTEE UPDATE****For: INFORMATION/DISCUSSION****Presentation: PowerPoint****Contact: Bill Good**

(harold.good@dmschools.org; 242-8321)

Attachments: None

Issue: The Superintendent's Facility Advisory Committee (SFAC) will update the board on the work plan and overview of the potential next step for attendance area changes at elementary schools and Goodrell Middle School (which had a limited boundary).

Superintendent's Recommendation: Board review of the presentation.

Presenters: Joel Doyle and Meredith Mauro, SFAC members. With support from Susan Tallman and Bill Good

Background: The first phase of boundary changes were at the secondary level and included secondary changes to better align middle and high school attendance areas which were approved by the board on November 13, 2012. The next phase of work included a look at elementary boundaries to suggest changes which could benefit schools.

Past committee minutes, work plan, and this presentation has been regularly posted on the district web site at <http://www.dmschools.org/departments/operations/facilities/facility-advisory-committee/meetings-minutes/>

Minutes

Committee members Meredith Mauro and Joel Doyle reviewed the work the group is doing on boundary changes. The overall theme is to improve opportunities in all schools for students and families. This review will include the elementary schools as well as Goodrell Middle School. Items looked at include:

- Balancing enrollment.
- Creating capacity for movement of students if possible.
- Creating neighborhood schools for students.
- Creating feeder patterns for grade schools into middle schools into high schools.

Also considered:

- Socioeconomic balance.
- Transportation.
- Facility space needs as it changes with student population.
- Edmunds reopening created additional classroom space.
- Future opening of JFT will open classroom space at four schools.

Item No. 25**Page 2 of 3**

- Moore reopening is under consideration which would open space at three schools.
- Moulton returning to K-5 will provide more capacity.
- King, Brubaker, Cowles and Lovejoy will be adding classroom space.

Data continues to be collected for this work in progress.

Potential results include:

- Five elementary schools having extra access for neighborhood students: Downtown, Moore, Jefferson, Phillips and Walnut Street.
- Goodrell enrollment for local students being addressed.
- Capacity increasing at 19 schools all over the city.
- 28 of 37 elementary schools aligning to one middle school. With continued work, all schools would be aligned.

Future steps for the rest of the year for this phase:

January	Finalize information.
February	Hold public forums.
March	Create final proposal in a two-year plan and work on a five-year funding plan.
April/May	Present proposal to the board.

They would like to see all schools be schools of choice and allow students to attend their neighborhood school if that's their choice. The proposed plan would take effect in the 2015-16 school year. All meeting information and committee work is available online at the site shown on the previous page.

Mr. Sweeney commended the group on their work. He has attended a couple of the meetings and enjoyed watching them work together and collaborate as they addressed the problems and strategies to align the boundaries.

Clarification was received on building capacity and enrollment with the end result that buildings are more balanced based on their capacity, which would also help reduce students being bused out of their neighborhood schools.

Allowing all schools to be schools of choice would result from having space or capacity in all schools and students are not denied enrollment in their neighborhood school. An example would be reopening Moore which would provide for space in three surrounding buildings that are now at capacity.

Ms. Caldwell-Johnson asked about population density around certain buildings and revisiting that issue; e.g., Jefferson which has a lot of park land and other nonpopulated area. Mr. Doyle confirmed that the committee has included that in their work. Mr. Good

Item No. 25**Page 3 of 3**

added that there are about 10 students whose home school would be Jefferson and could be allowed to go to their home school of Jefferson under the plan in progress. Density is considered along with busy streets and potential boundaries. Mr. Good will provide specific information to Ms. Caldwell-Johnson and the other board members when closer to defining the boundaries. She also expressed her appreciation for the work being done. She mentioned that one unintended consequence that resulted from last year's boundary changes was the impact on busing and the two- and three-mile radius limit that adversely impacted some families. She feels it is critically important to evaluate the busing radius and overlay that on the boundary work. Mr. Good stated that has been discussed, and a walking radius will be drawn around each of the schools and is part of the work to be done.

Mr. Sweeney asked if his understanding is correct that at the end of the project all schools will have the capacity for people to move around beginning with the neighborhood children, then open enrollment within the district, followed by out-of-district open enrollment and the elimination of waiting lists. Mr. Doyle confirmed that is the goal if capacity can be obtained in all the elementary buildings. Ms. Tallman stated students from out-of-district are placed where there is capacity.

Mr. Howard likes that the walking distance and busing will be included and likes that the switches will be done concisely.

The last time boundaries were reviewed was over 25 years ago. Hopefully, once this holistic review is completed, boundaries will be reviewed on a more regular basis.

Item No. 26**Page 1 of 3****Subject: EXTERNAL AUDIT REPORT – COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2013****For: ACTION****Presentation: PowerPoint****Contact: Thomas Harper**
(thomas.harper@dmschools.org/242-7745)**Attachment: 13-076**
13076A

Issue: McGladrey and Pullen, LLP, have completed their audit of the financial statements of the district for the year ended June 30, 2013.

Superintendent's Recommendation: The superintendent recommends the board receive, discuss and take action on this monitoring report.

Presenters: Thomas Harper, Skeet Wooten and Jaci Dammeier

Background: Board Governance Policy 3.4 – Monitoring Superintendent Performance states that the Board will acquire monitoring data by one or more of the three methods. One method is “by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies.”

This external audit report done in accordance with generally accepted auditing standards provides data on certain aspects of the following Management Limitations:

- 2.0 General Executive Constraint
- 2.3 Financial Condition and Activities
- 2.4 Asset Protection
- 2.5 Financial Planning/Budgeting
- 2.7 Compensation and Benefits

The auditors conducted three audits, one on the financial statements, one on compliance matters and test of controls, and a “single audit” on federal dollars. In every audit, the district received an unqualified opinion, which is the best or highest opinion that can be rendered. An unqualified opinion means the auditors had no material reservations concerning the financial statements presented and no material concerns over standards and controls employed, and no material concerns over the accounting of federal funds.

Financial statements – the auditors stated (page 2), “In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position, in accordance with accounting principles...”

Compliance matters and test of controls - The auditors made recommendations to remedy “certain immaterial instances of noncompliance”. However, the auditors stated in their report (page 131) that “We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses...”

Item No. 26**Page 2 of 3**

Single audit on federal dollars – the auditors stated (page 132) “In our opinion, the district complied, in all material respects, with the compliance requirements... that could have a direct and material effect on each of its major federal programs...”

Internal Control Over Compliance – Also stated in the auditors report (page 133) "we did not identify and deficiencies in internal control, that we consider to be material weaknesses"

Lastly, the audit report contains on pages x and xi copies of the Certificates for Excellence in Financial Reporting that the district received during FY 2013 based on its FY 2012 Comprehensive Annual Financial Report (CAFR). This is the sixth year in a row that the district has received these Certificates of Excellence.

The Letter of Transmittal (pages iii – viii), as well as Management’s Discussion and Analysis (pages 3 – 15) provide summary information in an easy to read format.

The superintendent is pleased to present this audit report to the board as evidence by external examination that the financial matters of the district are in good order with no significant deficiencies.

Minutes

Mr. Harper stated the district is getting better and better with internal controls. He expects the CAFR will receive for the seventh time the GFOA award and also the International Association of Business award. Jaci Dammeier provided an overview of the required communications. The results of the full financial statement was reviewed with the Audit Committee who reviewed and approved the report. It was an unmodified, clean audit opinion, which is the highest level of assurance that can be given. Two significant accounting policies were adopted: 1) GASB #63 which changed the statement of net assets to a statement of net position and 2) GASB #65 which broke out some new categories called deferred inflows and deferred outflows and requires bond issuance costs to be written off—a \$1.7 million impact—implemented retrospectively. It has a zero-ending impact on the net position of the district.

There were three small audit adjustments made to the original trial balance presented by the management team. Two were very small capital asset entries with about a \$13,000 income statement impact and one was to recognize revenue on one item that was classified as deferred revenue.

There were two uncorrected misstatements. One is the \$1.7 million previously mentioned, as well as one of about \$338,000 related to an estimated impairment on a school bus no longer being used.

There were no disagreements with management or difficulties performing the audit.

Item No. 26**Page 3 of 3**

Revenue for all governmental funds was \$421 million this year compared to \$424.6 million last year, most related to a property tax change. Expenditures by function for all governmental funds was about \$440 million this year compared to \$419 million last year. One of the largest changes was in debt service--\$12 million compared to \$7.3 million last year. Capital outlay also experienced a significant change, increasing to \$54.9 million from \$47.1 million.

The governmental fund balance has gone down slightly over the past few years. The general fund balance has gone up slightly. The biggest portion of the fund balance is the unassigned category at 66%. A new category called assigned is approximately 11% this year which consists of funds earmarked by management for specific programs.

A summary of statement of changes in revenues, expenses and net assets shows operating revenue changed by about \$100,000, and operating expenses increased by \$2 million. Nonoperating revenue increased to \$13.8 million from \$11.9 million with a net change in assets to about \$580,000 this year.

An unmodified, clean audit opinion was given on internal controls. Three major programs were triggered for compliance testing which accounted for approximately 34% of the total federal dollars expended. There was one instance of noncompliance related to documentation not being available for 2 of 31 employees tested for semi-annual certification in the special education cluster. All other testing was clean.

Ms. Caldwell-Johnson moved to approve the Comprehensive Annual Financial Report; seconded by Ms. Boesen.

Mr. Howard asked how programs are determined to be tested. Ms. Dammeier explained OMB A-133 lays out very specifically the compliance requirements and what has to be tested. As a low-risk auditee, at least 25% of the total federal expenditures are required to be tested.

Ms. Caldwell-Johnson serves as an ex-officio member of the Audit Committee and went through the CAFR with them in great detail. They were pleased with the audit and there was a lot of feedback and input.

The chair called for the vote.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion was approved 7-0.

Item No. 27**Page 1 of 6****Subject: FOX LAWSON COMPENSATION STUDY****For: ACTION****Presentation: PowerPoint****Contact: Thomas Harper**
(thomas.harper@dmschools.org/242-7745)**Attachment: 13-078 &
13-083**

Issue: Fox Lawson has prepared a presentation for the board with the compensation study results.

Superintendent's Recommendation: The superintendent recommends the board adopt the compensation study results.

Presenters: Anne Sullivan, Thomas Harper and Jim Fox

Background: On August 7, 2012, the Board requested a compensation study. Des Moines Public Schools awarded a contract to Fox Lawson & Associates on October 16, 2012, RFP 6580, for consulting services to conduct this study.

The focus was on classification and ensuring consistency and setting pay scales. The study provides comparisons to other entities and covers all DMPS employees.

Fox Lawson & Associates is a Division of Gallagher Benefit Services, Inc., and is based in Phoenix, Arizona and St. Paul, Minnesota. It serves higher education clients nationally on a variety of classification, compensation and human resource issues. The managing directors of the firm, Jim Fox and Bruce Lawson have served over 500 clients. They have worked with numerous school districts including: Los Angeles Unified School District, CA.; Columbus Public Schools, OH.; Tucson Unified School District, AZ.; Lake Washington School District, WA., just to name a few.

Minutes

Mr. Harper stated a request was made to contract with an outside vendor to complete a classification and compensation study. The results were reviewed by Mr. Fox who reviewed the process of the study, the classification part, the compensation component, findings and recommendations.

His firm looked at the classification structure, evaluated all the jobs being performed in the district and evaluated those jobs for internal equity. Questionnaires were completed by staff. Market data was collected from comparable districts and the private sector. This information was merged to identify a proposed salary structure if no other restrictions were in place at the time. Job descriptions were developed for the job classifications identified, and an implementation plan was created.

Following the process of collecting information, a classification structure was developed that was moderately broad, meaning multiple job classifications relating to different

people in different departments that contain the same basic knowledge and skills requirements are combined and then evaluated using the Decision Band Method (DBM). Market data for comparable districts was also reviewed not only based on size throughout the country but also in the surrounding area. Based on employee questionnaires received, all the work performed in the district by all the employees was identified. Jobs were put together in a classification series by occupational group, with various levels of work within the occupational groups. The classification structure is based on the nature of the work, minimum knowledge skills and abilities required to do the work.

The classification structure was sent to the district for review resulting in some changes and modifications. The 268 distinct job titles were reduced to 84 in terms of different kinds of work requiring different kinds of knowledge and skills. Using the 84 job classifications, consistent job titles were developed across the district. This list was reviewed by senior management. The jobs were then reviewed for internal equity using the DBM based on decision making required, supervision required, and the complexity and difficulty of the job responsibilities. This would establish a very transparent system for easy understanding and provide a connection to the salary range in a logical fashion. Again, this information was reviewed with senior management resulting in a few modifications.

The first step of the job evaluation study is to identify the characteristic of the decision-making requirements of the job as listed under Bands A – F on the chart in the report. Bands D, E and F are adaptive decisions; A, B and C are interpretive decisions. Every job duty and responsibility is categorized based on one of the bands, resulting in each job falling into a “bucket”—Bands A-F make six buckets.

The second step is to look at various kinds of supervision—determining what and how someone does something or only how someone does something—creating twelve buckets.

Step three is to take the twelve buckets and look at the complexity and difficulty of the work in each bucket, sorting into subgrades based on the number or characteristics of high-banded tasks, the diversity of the knowledge and skills required of those tasks, and how much of a demand is placed on carrying out those tasks; thus, identifying the internal equity of all the jobs.

There were 73 jobs identified that would compare with other organizations doing similar work; e.g., public organizations, school districts, and private organizations, and questionnaires were sent. The data was adjusted to the Des Moines area’s economic conditions. A list of the school districts and their enrollment is listed in the report. An index from another company was used for the economic conditions adjustments. There were six districts that responded and the percent of job titles that matched is included in the report. Information from 15 additional school districts was obtained from their websites.

Jobs that could be matched to the private sector were compared to existing salary surveys from Towers Watson, Mercer and ERI. The U.S. Department of Justice is involved in comparisons of salary data under the auspices of the Sherman Antitrust Act, which basically prohibits districts getting together to set wages. One restriction placed on salary comparisons is requiring five job matches. Five comparisons could not be found for the chief academic officer, curriculum coordinator, and special education teacher.

Market data changes often. If the survey were done again today, the data would be different because salaries have changed. If data is $\pm 5\%$ from the market, it is very competitive; $\pm 10\%$ is still competitive; but beyond $\pm 10\%$, is misaligned with the market. A positive figure was given if above the market and a negative figure was given if below to every job that was matched. That information was summarized across all jobs with the overall average shown in the report. Two points were highlighted:

- Actual Pay—25% of the organizations pay less. The 50th percentile is right in the middle of the market and the 75th percentile means that 75% of the organizations pay less. At the 25th percentile, the district is 13% above the market which means the district is probably hiring at a higher rate. At the 50th percentile, the district is over approximately 6.25%—still within a competitive range—and at the 75th percentile, the district is a little under.
- Salary Structure (minimum and maximum ranges)—At the minimum, the district is 6% above; at the midpoint, 1.18% above; and at the maximum, just over 4% below.

Based on this information, overall, the district's actual salaries are competitive, the minimums are competitive, the midpoint is highly competitive, and the maximums are competitive.

The market information was combined with the internal equity—ranking the jobs based on Decision Band Method—lining up various data points to identify a trend to the data. A graph of this comparison is included in the report. The horizontal axis showing A1, B2, etc., are the job evaluation results in summary form. The more demanding or more responsible the position, the farther to the right it appears on the graph. The vertical axis shows daily rates. For example, go up from C4 to one of the dots and move across, you see the daily rate. A straight line was drawn to reflect the trend of pay in the jobs. This information was used to establish a range or salary structure moving forward.

Take that DBM rating, establish a range around it based on following those lines, and a minimum, midpoint and maximum is established with a range spread. The range spread is from minimum to maximum, with the spread getting broader as you get higher in the job or in the hierarchy because the variety of activities performed at those levels tends to broaden out and be more variable. A salary structure was recommended based on the job evaluation, job questionnaires, and the market data. An implementation step structure was created. All of the employees, based on how long they have been in their job, were put somewhere in this respective range. This would resolve whatever pay

Item No. 27**Page 4 of 6**

compression issues there might be that have occurred over time. A slide showing what that salary structure looks like was shown. Job evaluation results from low to high are on the left. At the bottom, just above the blue mark, are the percentage differences between the steps which will vary.

This covers both the bargaining and nonbargaining jobs. A number of the bargaining groups are in the middle of their contracts which will not open for negotiations for a year or two. This material could inform that process. It is not the intent to usurp the rights of the unions to negotiate a fair wage based on their perspective and the district's perspective.

For the approximate 450 nonbargaining jobs, there is more flexibility. A number of different options were reviewed in order to adequately ensure that internal equity in a variety of different ways was accounted for—job value, responsibility, current pay—and a recommendation developed still giving administration flexibility to make individual decisions. Of the 496 nonbargained employees, about 165 would be affected by the recommendations. If the recommendations are taken, this will resolve any pay compression issues, it will resolve market issues, it will resolve relative equity among and between all of the nonbargained jobs. The cost to implement that is estimated at no more than \$777,584. How the recommendations are implemented can be based on administration's assessment of the responsibility and experience and performance of the individuals in those jobs, their seniority in the district as well as their experience outside the district, any anticipated changes to the district's organization or responsibilities in the planning process, etc. The superintendent and senior management are best able to make those decisions, and now is a good time to do that as the study and data are fresh, and because a fair amount of analysis has been done to ensure understanding of the jobs, the conditions, and the issues to be addressed. Delaying implementation usually means something happens—new priorities, challenges or some other change in the dynamics.

Additional recommendations reflecting the hiring ranges and flexibility in hiring ranges based on market data as well as internal compensation are articulated in the next couple of slides. A review of market data and trends and adjustments to salary structures and ranges are recommended annually with a more extensive market survey conducted every three to four years.

If these systems are maintained, they should last for twenty years.

The chair called for a motion and second on the Fox Lawson compensation study.

Mr. Barron moved approval of the compensation study with a second by Ms. Boesen.

Chief HR Officer Sullivan distributed a sheet of data that will be used to inform the salaries of the nonbargaining groups. The negotiation process takes care of salary and benefit for the bargaining groups. No group will see less pay, some people will have an increased pay, and some will stay the same. It's really the job titles and job classifications

that need to be reviewed as well as the exempt and nonexempt status. The district is looking for pay discrepancies in jobs that are very similar and will be looking for internal equity as well.

Superintendent Ahart clarified that there is no request for any adjustments, but wanted to go through the work that the board requested to show it is complete in the fashion originally ordered. Timing is actually quite good in that we're doing so much work with the human resources department. This is exceedingly valuable information because the classification part was long overdue and will help to tighten things up considerably. Ms. Boesen asked about the time frame. Mr. Ahart stated most of it should be done within the next month or two. Some will be more challenging than others because of reviewing the classifications and reviewing a variety of positions and ensuring they are reclassified correctly; e.g., clerical.

Mr. Howard asked if anyone would be downgraded with wages. Mr. Ahart confirmed that no one would be downgraded. If compressed down, will surpluses be found in certain categories or is it strictly a retitling process? Ms. Sullivan provided the example of executive secretaries which is basically the same job, but since they are in different departments, there may be some type of pay differential and a different pay title when it's essentially executive secretary. The review will ensure the people are receiving the same pay for the same job. Mr. Fox continued that there are two types of pay compression: a new employee comes in at a rate higher than an older employee or a subordinate is paid more than a supervisor. Those two things we, to the extent that our recommendations look at current pay in relation to recommended pay, will be corrected.

Mr. Barron asked if any change or malleability of job responsibilities come with the restructuring of the job titles and classifications. Mr. Ahart stated if someone in transportation has the title of manager and there's somebody with the exact same kind of responsibilities in food service and they are called a supervisor, they will both have the same title, along with some equity in how they are paid. Mr. Barron also asked if the district is part of the first phase of the state's teacher compensation reforms, would this function parallel to that? Mr. Ahart stated if the district is included in the first year, the district will be in a unique situation since the district is about halfway through a two-year negotiated agreement. Staff is meeting with DMEA on that. All of that money goes to teachers and is above and beyond what's reflected in the study. In terms of the teachers, it would skew this data a bit upward.

Ms. Caldwell-Johnson expressed appreciation for this information. While there is a commitment not to reduce anyone's salary, if someone is above the pay range, will people be frozen until the range catches up? Mr. Ahart stated that would happen and there are 160-some positions that need an adjustment—some up and some down. The executive secretaries group is a good example. If their pay is above, they would be red-circled in some way. If their job description calls for a higher rate, they won't automatically go there until it's demonstrated they can perform the job as described. Mr. Harper stated 65 positions in the district were above the limit.

Item No. 27**Page 6 of 6**

To ensure this situation does not happen again, Ms. Sullivan stated Mr. Fox talked about an annual or semiannual review to decide if the job descriptions and pay are within the ranges discussed. Looking at the exempt and nonexempt status also needs to be part of the responsibilities in Human Resources, as well as ensuring that new positions are within the framework and structure of the compensation study. Ms. Sullivan stated these responsibilities lie with her.

Mr. Harper stated implementation had been planned for July 1, so the money was included in the budget. There is no estimate of the highs and lows of the 165 positions at this time; however, the board will be informed of the changes, especially significant shifts either up or down in salary.

Mr. Sweeney asked about the procedure should an increase be needed to the 84 job titles established. Mr. Ahart said the goal will be to keep it as close to 84 as possible. If a new job is necessary, it will first be looked at with the DBM framework to match responsibilities, etc. How would a new job title be communicated to the board? Mr. Ahart stated it may be important for the board to know; e.g., there will be some significant investment in technology as they review the employee infrastructure. If a position of a "data systems coordinator" is added, it would be commensurate with other coordinators in the district even though the job title would be new.

Mr. Fox stated the district differentiates between veteran staff and new hires with different steps. Mr. Ahart stated the intent is to have a defined range so new employees would be evaluated on their expertise and qualifications and placed appropriately in that range.

Ms. Caldwell-Johnson asked for this to be included in an existing monitoring report for regular updates, possibly the Treatment of Faculty. Mr. Ahart stated that it will be added, either to that one or it could go under Compensation.

With no further discussion, the chair called for the vote:

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion carried 7-0.

Item No. 28**Page 1 of 2****Subject: FINALIZATION OF THE SALE OF STATEWIDE SALES TAX BONDS, SERIES 2013****For: ACTION****Presentation: None****Contact: Thomas Harper****Attachment: 13-081**(thomas.harper@dmschools.org/242-7745)

Issue: Board actions necessary to finalize the sale of School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2013.

Superintendent's Recommendation: The superintendent recommends the board take separate action on each of the following:

- Approval of the Resolution Appointing Paying Agent, Bond Registrar, and Transfer Agent, Approving the Paying Agent, Bond Registrar and Transfer Agent Agreement and Authorizing the Execution of Same.
- Approval of the Tax Exemption Certificate.
- Approval of the Continuing Disclosure Certificate.
- Approval of the Resolution Authorizing the Terms of Issuance and Providing for and Securing the Payment of the School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2013.

Presenters: Thomas Harper

Background: On December 3, 2013 the Board approved the sale of \$8,780,000 Revenue Bonds to Piper Jaffray.

Therefore, consistent with state law and local rules, the board must individually approve the following actions:

1. Approve the resolution appointing Banker's Trust Company of Des Moines, Iowa, to serve as paying agent, bond registrar, and transfer agent; and approving the agreement for the paying agent, bond registrar and transfer agent; and authorizing the execution of same.
2. Approve the Tax Exemption Certificate – assuring that interest on bonds received by the owners of the bonds is tax exempt.

Item No. 28**Page 2 of 2**

3. Approve the Continuing Disclosure Certificate – assuring bond holders that the district will provide an annual report to the National Repository and disclose the occurrence of certain significant events should they occur.

4. Approve the Resolution Authorizing the Terms of Issuance and Providing for and Securing the Payment of School Infrastructure Sales, Services and Use Tax Revenue Bonds – assuring that the provisions of Chapters 423E and 423F of the Code of Iowa will be followed and also providing for a method of payment of the bonds.

In addition, but not requiring board action, the Board President and/or Board Secretary, as required by law, will sign the:

- Delivery Certificate – certifying the delivery of bonds to Piper Jaffray.
- Authentication Order – authorizing the registrar, Bankers Trust Company, to authenticate the bonds, complete the records required with respect to registration and deliver the bonds to the purchaser, Piper Jaffray.
- District Certificate – certifying that certain facts relative to the district are true.

Minutes

A motion to approve the finalization of the sale of statewide sales tax bonds, series 2013 was made by Ms. Caldwell-Johnson and seconded by Mr. Howard.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion carried 7-0.

Item No. 29**Page 1 of 2****Subject: DROPOUT PREVENTION MAXIMUM FUNDING AND TAX LEVY RATE****For: ACTION****Presentation: None****Contact: Thomas Harper****Attachment: 13-082**

(thomas.harper@dmschools.org/242-7745)

Issue: The board must approve the preliminary FY 2015 maximum funding and tax levy rate for Dropout Prevention by December 15, 2013.

Superintendent's Recommendation: The superintendent recommends the board approve the maximum funding of \$10,427,326 and also maintain the current levy rate for FY 2015. The superintendent may recommend a change in the rate when the FY 2015 budget recommendations are made later in the fiscal year as has been done in the past.

Presenters: None

Background: Annually, the district submits a board approved application to the Iowa Department of Education (DE) seeking DE School Budget Review Committee (SBRC) approval to use Dropout Prevention funding. The preliminary levy rate for FY 2015 is based on the maximum funding per state formula and must be approved by the board in order to accommodate the state filing deadline of December 15, 2013.

The state formula establishes the maximum amount that can be approved for the district by the Board of Directors for Dropout Prevention and is estimated at \$10,427,326 for FY 2015. The formula is based on the district enrollment x 5 percent x district cost per pupil. The legislature has preliminarily approved a 4% allowable growth (AG) for FY 2015. Thus, based on these estimates, the formula results in the following maximum funding level:

$$32,413.2 \times .05 \times \$6,434 [\text{assumes 4\% AG}] = \$10,427,326$$

The current levy for FY 2014 generates \$9,729,244 and the rate is \$1.48366, representing the maximum FY 2014 Drop Out Prevention funding and levy authorized by law, respectively. Although no increase is recommended at this time in the tax levy rate for FY 2015, increases or decreases in property valuation may result in some additional or reduced revenues for FY 2015. The amount generated by the levy is sufficient to accommodate current programming costs for FY 2014.

While the levy rate for FY 2015 must be approved before December, programming decisions for FY 2015 are best made later in the year when the allowable growth for FY 2015 is known, when property valuations are known, when other budget/staffing decisions are being made and when more is known about overall district needs and priorities for FY 2015. Therefore, it is possible that budget recommendations for FY 2015 will include a change to the Drop Out Prevention maximum budget and associated tax rate.

Item No. 29

Page 2 of 2

Minutes

A motion to approve item 29 was moved by Ms. Boesen with a second by Mr. Sweeney.

Mr. Harper stated this is standard operation for the SBRC and reflects our increased enrollment, etc.

Ms. Caldwell-Johnson asked about evaluation of programs and sorting out those that don't create the outcomes the board has identified. Does adoption of the levy also adopt the programs (provided on the attachment)? Mr. Ahart confirmed it does not.

Aye: Barron, Boesen, Caldwell-Johnson, Cheatom, Elsbernd, Howard, Sweeney

Nay: None

Motion carried 7-0.

Item No. 30**Page 1 of 2****Subject: EARLY RETIREMENT OPTION****For: ACTION****Presentation: None****Contact: Anne Sullivan / Thomas Harper**
(anne.sullivan@dmschools.org/242-7763)**Attachment: 13-077**

Issue: The board of directors must approve the voluntary early retirement plan for eligible staff on an annual basis.

Superintendent's Recommendation: The superintendent recommends the board approve the voluntary early retirement option for eligible staff for 2014-2015.

The attached plan document reflects a change in the final year of employment. The change (page 5, section 2(d)) reads as follows:

In the final year of employment, sick leave usage in excess of the current year's annual accrual (15 days) will impact the employee's previous annual sick leave account. Each 15 day increment of sick leave usage will impact one year of the annual sick leave account. Adjustments to the account will be determined using the table above 2(a).

The number of applications accepted for the 2014-2015 year will be limited to 100 eligible applicants. Applications will be accepted in the date order received.

Presenters: None

Background: Under the district's voluntary early retirement plan, attendance determines the value of the retirement benefit that eligible contract staff receives. In November 2012 (53 eligible staff) and March 2013 (15 eligible staff), an overall total of 68 employees elected to take advantage of the 2012-2013 voluntary early retirement option.

Funding Source: Management Fund – for retirees between ages 55-65
General Fund – for retirees over age 65

Minutes

Mr. Howard moved approval of the early retirement option for eligible staff for 2014-15 and was seconded by Mr. Barron.

Mr. Ahart stated the essential change is closing the loop hole that allows staff to dip into days that were banked in previous years. If all current year leave is used and banked

Item No. 30**Page 2 of 2**

days are then used, a reduction in retirement benefits will occur. A hard cap of 100 was also included. As of this afternoon, there are approximately 80 requests for this year.

Ms. Caldwell-Johnson apologized for not being able to participate in the last discussion, but stated early retirement has become a retirement system—it's not early, it's not special, it does not incent someone to do something other than what they are already planning. It could actually delay retirement. She feels we need to identify what the normal retirement system and package is—that no matter when it is chosen, it's the series of benefits that accrue to you when you make that option vs. an opportunity where an incentive program is established to encourage people to utilize it during a time when trying to make other organizational changes when that option makes sense. Over time, early retirement has been confused with what is normally done in the organization. She will probably vote not to support this and feels a deeper dive should be done into what the retirement system should look like and differentiating between a standard retirement plan and an early retirement option that may or may not be provided every year but considered during certain circumstances.

Mr. Ahart stated the regular retirement plan for the district is IPERS and the district makes an annual contribution on behalf of every employee every year. This early retirement plan needs approval annually and he agrees it needs to be reviewed to determine if it is a responsible use of public funds and is accomplishing the original goals of the district.

The cap of 100 was established as the historical limit, but has never been met. Also, this is roughly the amount the management levy fund can handle without asking the public to raise the levy. When people don't retire early, funds are coming out of the general fund.

Mr. Barron asked if an employee exceeds the 15 days of sick leave, is there policy that states any additional sick leave is taken from the most recent academic year or can the employee choose since the days would have different valuations. Cathy McKay came forward and responded that the most recent banked year would be used. The employee would not be able to select a specific year. That is included in the proposal for 2014-15 and has been communicated to DMEA. It will be first-come, first-served.

Aye: Barron, Boesen, Cheatom, Elsbernd, Howard, Sweeney

Nay: Caldwell-Johnson

Motion carried 6-1.