

DES MOINES PUBLIC SCHOOLS
REGULAR SCHOOL BOARD MEETING
BOARDROOM — 1800 GRAND
MINUTES
January 8, 2013

PUBLIC FORUM — 5:45 p.m. –6:05 p.m.

The Board of Directors held a public forum on Tuesday, January 8, 2013, in the boardroom at 1800 Grand; Dick Murphy presiding.

Present: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney

Speakers: NAACP Youth Council
Vanessa Johnson
Kristin Carlson

Odell Jenkins
Kelly Donnelly
Andrew Rasmussen

REGULAR MEETING — 6:13 p.m.

The Board of Directors met in regular session on Tuesday, January 8, 2013, in the boardroom at 1800 Grand; Dick Murphy presiding.

Present: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney

APPROVAL OF AGENDA — 6:14 p.m.

Ms. Boesen moved approval of the agenda; second by Ms. Elsbernd.

Ms. Caldwell-Johnson requested a point of personal privilege at the end of the meeting.

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

APPROVAL OF MINUTES — 6:14 p.m.

Mr. Howard moved approval of the minutes for December 11, 2012, second by Ms. Boesen.

Aye: Boesen, Elsbernd, Howard, Jongewaard, Murphy, Sweeney
Nay: None
Motion passed 7-0.

DISTRICT RECOGNITIONS — 6:15 P.M.

Superintendent Ahart described recent activities by first graders at Stowe Elementary School that led them to organize a food drive, collecting 1,851 items that were donated to Hope Ministries and the Food Bank of Iowa. Principal Dawn Vetter, parents and students were present and made comments.

CONSENT ITEMS — 6:08 p.m.

7. Construction Payments.....	1
8. Award of Contract(s) on Bid.....	2
9. Award of Bid No. B6614-Window and Door Replacement at Prospect Support Building	3
10. Award of Bid No. B6617-Asbestos Abatement at Findley Elementary School	4
11. Award of Bid No. B6613-Addition and Renovation of Findley Elementary School ...	5
12. 28E Agreement with the City-Final Payment	6
13. Discretionary Busing Policy	7
Speaker: Shannon Mullins	
14. Recruitment Module	8
15. Board Meeting Dates for FY 2013-2014	9
16. Personnel Recommendations	10
17. List of Bills	11

Minutes

Mr. Howard stated that before he makes the motion to move consent items, he would like it noted that he has very strong and serious reservations regarding items 9 and 10 as he advocates using companies within the state, preferably in Des Moines or the local area.

Mr. Howard then moved that the board approve the consent items, including payment of bills previously authorized and certified by the secretary in the amount of \$4,022,544.53 and unpaid bills in the amount of \$2,154,117.33. Second by Ms. Elsbernd.

Ms. Caldwell-Johnson noted that one of the resignations under Personnel Recommendations comes from a 24-year math instructor at North High School who was identified two years ago as the female track coach of the year. She hopes that the district works to ensure talented people are retained in the district.

Aye: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney
Nay: None
Passed: 7-0.

Other — 6:26 p.m.

18. Amendments to the Des Moines Teachers Retirement System Plan and Trust* ..	12
19. Annual Audit Committee Report*	17
20. External Audit Report-Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2012 (7-0).....	19
21. Des Moines Independent Community School District Unused Sick Leave and Early Retirement Benefits Plan*	21
22. Early Retirement Option (7-0).....	22
23. Districtwide Wellness Initiative*	23

24. Final Plans for Hoyt Middle School Addition and Mechanical and Electrical Upgrades (7-0) 25

Public Hearing —8:54 p.m.

25. Hoyt Renovation and Addition Public hearing (7-0) 27

**Discussion or information only, no action.*

POINT OF PERSONAL PRIVILEGE— 8:56 p.m.

Ms. Caldwell-Johnson proposed holding a special board meeting to review the 2012-2013 and 2013-2014 previously approved calendars. The intent of the special meeting would be to eliminate the Martin Luther King holiday as a make-up day and replacing it with a day that would be added at the end of the school year. She would also like to address the appropriate configuration for future calendar committees and identification of specific organizations and constituency groups that should be included at a minimum of 50% on that committee.

Following discussion and agreement of the board members, Mr. Murphy will set a date and time for a special meeting with fewest conflicts.

CHAIR’S REPORT — 9:11 P.M.

Mr. Murphy stated each member has a letter with the governing process for requests for information in their folder as determined at the recent work session with Cathy Minberg. The monitoring report schedule is in progress and will be presented at a later date.

Mr. Murphy responded on behalf of himself to issues raised in an email by Mr. Rasmussen regarding teacher time, etc. He also reported attending a meeting of the NAACP Youth Council last evening with Mr. Howard at the Mickelson Center. Students will be invited to serve on the district’s Youth Advisory Council, calendar committee and attend the principals’ meeting on Thursday.

SUPERINTENDENT’S REPORT — 9:14 P.M.

Mr. Ahart stated the Roosevelt debate team placed second in the state tournament. The team had an inordinate number of freshmen as the senior performers of the team were in Nashville, Tennessee, competing in an invitation-only tournament at which Roosevelt students took first, second and seventh place. Very impressive performances by all members of the Roosevelt debate teams.

Friday night is a big basketball night for Des Moines teams.

Legislative priorities of the UEN have been finalized will be sent to the board members.

The teachers and staff were recognized for their cooperation in implementing the compensation and classification study.

ADDITIONAL DISCUSSION — 9:17 P.M.

Mr. Jongewaard brought up a request he sent to administration for information relative to customer service standards. Mr. Ahart stated there isn’t a formal policy on customer service standards for employees but is working on guidelines with administrators; however, nothing has been formalized. He would like to know if people are not having calls or emails returned. Mr. Jongewaard requested to see what’s in writing that

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employees are expected to respond to. Mr. Murphy clarified that Mr. Jongewaard's email request was specific to telephone calls and emails under the title of customer service standards and should the administration make recommendations about returning phone calls and emails to the public, internally and externally. If the board wants that, it would become a board policy. He doesn't know how specific the board wants to be regarding time frames, etc. He responded to Mr. Jongewaard referencing the Employee Handbook. Mr. Ahart stated there isn't a hard policy and no discussion has occurred with the Association about applying a standard. He will send information. He further requested board members let him know of situations when someone is not responding.

ADJOURN — 9:27 p.m.

Item No. 7

Page 1 of 1

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>Two Rivers Glass & Door</u>				
Meredith Middle Sch. (SWP) Sealed Bid No. B6501 RETAINAGE RELEASE	100%	\$106,460.00	\$101,137.00	\$5,323.00
<u>Bryan Crow Constr.</u>				
Samuelson Elem. (PPEL) Sealed Bid No. B6456	100%	\$197,000.00	\$187,150.00	\$9,850.00
<u>Larson & Larson</u>				
McCombs Middle Sch. (SWP) Sealed Bid No. B6379 RETAINAGE	100%	\$5,836,621.00	\$5,544,791.40	\$291,829.60
			TOTAL	\$307,002.60

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

Item No. 8**Page 1 of 1****Subject: AWARD OF CONTRACT(S) ON BID****For: ACTION****Contact: Dave Silver**

(david.silver@dmschools.org; 242-7700)

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 items on the bid, and are not intended to be all inclusive.

A. B6604 Electric Motors for HVAC Systems FY 2012-2013

Bids were received to replace forty-nine (49) electric motors that are used in HVAC applications around the district. The new motors will improve energy efficiency and allow the district to take advantage of current incentives and rebates from Mid-American Energy.

3 E	Des Moines IA	49 items	\$34,355.70
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101 bids were sent out, 3 timely bids were received, 1 late bid was received, and 97 did not respond. A complete tabulation of the bid is available:

<http://www.dmschools.org/wp-content/uploads/2011/10/B6604-Electric-Motors-Bid-Tab.pdf>

Funding Source: Physical Plant and Equipment Levy (PPEL)

Contact: Dave Silver

Item No. 9**Page 1 of 1****Subject: AWARD OF BID NO. B6614 - WINDOW AND DOOR REPLACEMENT AT PROSPECT SUPPORT BUILDING****For: ACTION****Contact: Bill Good**

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

Attachments: None

Issue: Award of contract for the window and door replacement project for the Prospect Support Building.

Superintendent's Recommendation: The superintendent recommends a contract for the base bid be awarded to the lowest responsive/responsible bidder Wilson Group Inc. in the amount of \$107,116.00

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

Background: This is a project under the statewide penny funding. The work at Prospect consists of:

- **Base Bid:** Replacement of selected exterior windows and selected exterior doors.

The district received bids on December 18, 2012. The results are as follows:

Bidder	Base Bid
REEP, Inc. Baxter, IA	\$119,679
Bergstrom Const. DM, IA	\$148,000
Swanson Glass DM, IA	\$146,000
Larry Elwood Const. – Mason City, IA	\$143,900
TBB – DM, IA	\$158,000
Wilson Group Greenwood, MO	\$107,116
Bryan Crow – Waukee, IA	\$146,500

Funding Source: Statewide Penny (Students First Program)

Item No. 10**Page 1 of 1****Subject: AWARD OF BID NO. B6617 – ASBESTOS ABATEMENT
AT FINDLEY ELEMENTARY SCHOOL****For: ACTION****Contact: Bill Good**
(harold.good@dmschools.org; 242-8321)**Attachments: None**

Issue: Award of contract for the asbestos abatement project for Findley Elementary School.**Superintendent's Recommendation:** The superintendent recommends a contract for the base bid be awarded to the lowest responsive/responsible bidder ECCO Midwest in the amount of \$122,222.00.**Presenters:** None. Bill Good will be present to answer any questions.**Background:** This project removes asbestos containing materials at Findley in advance of the scheduled renovation project.

The district received bids on December 27, 2012. The results are as follows:

Company	Base Bid
ECCO Midwest – Inver Grove Heights, MN	\$122,222
ESA Inc. – N. Sioux City, SD	\$185,000
Great Plains –Kearney, NE	\$228,838
New Horizons – Lincoln, NE	\$200,983
Robinson Bros – Waunakee, WI	\$156,300
Seneca Companies – DM, IA	\$195,000
Mid-Iowa Environ. – DM, IA	\$375,000

Funding Source: Statewide Penny (Students First Program)**Contact:** Bill Good

Item No. 11**Page 1 of 1****Subject: AWARD OF BID NO. B6613 – ADDITION AND RENOVATION
OF FINDLEY ELEMENTARY SCHOOL****For: ACTION****Contact: Bill Good**

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

Attachments: None

Issue: Award of contract for the addition and renovation project for Findley Elementary School.**Superintendent's Recommendation:** The superintendent recommends a contract for the base bid and alternate 1 be awarded to the lowest responsive/responsible bidder Lang Construction Group Inc. in the amount of \$4,623,300.00.**Presenters:** None. Bill Good will be present to answer any questions.**Background:** This project consists of an office/classroom addition and renovation of the existing school to eliminate open classrooms. The work will enhance energy efficiency and safety/security measures. It will provide electrical upgrades including new lighting, a fire sprinkler system, upgraded technology, and improvements to the mechanical systems.

The district received bids on December 27, 2012. The results are as follows:

Company	Base Bid	Alternate 1	Alternate 2
Lang Construction Group Inc. – WDM, IA	\$4,654,000	-\$30,700	-\$9,900
Rochon Corp – Urbandale, IA	\$4,670,000	-\$11,000	-\$28,000
Larson & Larson Construction – DM, IA	\$4,689,999	-\$31,000	\$59,000
Dean Snyder Construction – Ankeny, IA	\$4,700,000	-\$27,000	-\$9,800

Funding Source: Statewide Penny (Students First Program)**Contact:** Bill Good

Item No. 12**Page 1 of 1****Subject: 28E AGREEMENT WITH THE CITY–FINAL PAYMENT****For: ACTION****Contact: Patricia Lantz**

(patricia.lantz@dmschools.org/242-7837)

Attachment: None

Issue: The district entered into a 28E agreement with the city to use certain parking spaces. The agreement has been terminated, but final payment for the parking spaces is due.

Superintendent's Recommendation: The superintendent recommends the board approve this final payment.

Presenters: None.

Background: The district agreed to pay the city certain fees for use of city-owned parking spaces. The amount agreed upon was \$49,920. The original 28E was signed in 2005 and was part of an agreement to use property for the downtown playground.

Item No. 13

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Subject: DISCRETIONARY BUSING POLICY

For: ACTION

Contact: Bill Good

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

Attachments: None

Issue: Expansion of transportation options for K-5 students.

Superintendents Recommendation: The superintendent recommends that the board approve changes to the district's discretionary busing policy.

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

Background: Currently, students are eligible for district busing based upon the following state standards:

K-8: must reside more than two miles from school to qualify for transportation.

9-12: must reside more than three miles from school to qualify for transportation.

Effective January 16, 2013, through June of 2014, the practice of providing transportation for new ELL students who live more than .8 miles from their home school will be extended from the students' first year only to the students' first two years.

Effective January 16, 2013, through the completion of the 2013-2014 school year, K-5 students who live more than 1.5 miles from their home attendance area will be provided transportation. This does not supersede parent-required transportation for special programming such as open enrollment or attending schools of choice.

The board of directors will revisit this when they consider potential elementary attendance area changes in 2014.

Item No. 14**Page 1 of 1****Subject: RECRUITMENT MODULE****For: ACTION****Presentation: None****Contact: Scott Mikesh****Attachment: None**

(scott.mikesh@dmschools.org; 242-7972)

Issue: Upgrade to the Recruitment Module in IFAS (the district's ERP software system)**Superintendent's Recommendation:** The superintendent recommends the board approve the following costs associated with an upgrade to the Recruitment Module in IFAS:

Total First Year Cost	\$45,125
Total Second Year (ongoing) Cost	\$ 6,455

Presenters: None**Background:** None

Item No. 15**Page 1 of 1****Subject: BOARD MEETING DATES FOR FY 2013-2014****For: ACTION****Presentation: None****Contact: Thomas Ahart****Attachment: None**

(superintendent@dmschools.org; 242-7766)

Issue: The schedule for regular meetings of the board of directors needs to be approved for fiscal year 2013-14.

Superintendent's Recommendation: The superintendent recommends the board approve the dates listed below for regular meetings of the board of directors.

Presenters: None

Background: Administrative Policy 241 states: Except in March, July and December, the regular meetings of the board will be held on the first and third Tuesday of each month. Regular meetings in March, July and December shall be held on the second Tuesday.

The following dates are recommended for board meetings during the 2013-14 fiscal year:

July 9	January 7
August 6	January 21
August 20	February 4
September 3	February 18
September 17	March 11
October 1	April 1
October 15	April 15
November 5	May 6
November 19	May 20
December 10	June 3
	June 17

Item No. 16**Page 1 of 1****Subject: PERSONNEL RECOMMENDATIONS****For: ACTION****Contact: Scott R. Mikesh****Attachment: None**

(scott.mikesh@dmschools.org; 242-7972)

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

RESIGNATIONS

Name	School, Position	Effective Date	Reason
Birocci, Paul	Lincoln, Social Science	12/17/2012	Personal
Copeland-Clark, Eve	Weeks, Vocal Music	12/18/2012	Personal
Edwards, Jana	North, Math	01/11/13	Position out of District
Hattel, Lisa	Ruby Van Meter, Special Education MD	01/04/2013	Position out of District
Keil, Brenda	King, Kindergarten	12/31/2012	Personal

Item No. 17

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Subject: LIST OF BILLS FOR APPROVAL

For: ACTION

Contact: Thomas Harper
(thomas.harper@dmschools.org; 242-7745)

Attachment: None

Issue: A list of bills will be furnished to the board of directors at the board meeting for approval. The secretary will be glad to furnish information as requested on any of these items. Prior to the meeting, one member of the board will have checked this list with the invoices.

Item No. 18**Page 1 of 5****Subject: AMENDMENTS TO THE DES MOINES TEACHERS RETIREMENT SYSTEM PLAN AND TRUST****For: INFORMATION****Presentation: None****Contact: Thomas Harper**
(thomas.harper@dmschools.org; 242-7745)**Attachment: 13-003**

Issue: A reading of amendments to the “DES MOINES TEACHERS RETIREMENT SYSTEM PLAN AND TRUST,” as last restated and amended (the “Plan”), which have been approved by the Advisory Committee of the Plan (the “Advisory Committee”) in order to adjust the rates of contributions to reflect recent legislative changes to the Iowa Public Employee’s Retirement System (“IPERS”).

Superintendent’s Recommendation: The superintendent recommends that the board discuss the recommendations of the Advisory Committee and submit the following resolutions for reading.

Presenters: None. Thomas Harper (chief financial officer) and Roger Hudson (plan administrator) will be available for questions.

Background: Effective as of July 1, 2007, the district approved increases in the rates of contributions to the Plan over a four-year period that would match the incremental increases over the same four-year period in the rates of contributions to IPERS made by both employers and employees. The Advisory Committee has now recommended that the board approve a similar plan to increase the rates of contributions by the district and employees of the district over a three-year period beginning as of July 1, 2012. Under the terms of the Plan, the new rates, if approved by the board, will apply only to employees who are first employed by the district effective as of July 1, 2013, or thereafter and to active participants in the Plan who consent to the increases in the rates of employee contributions beginning as of July 1, 2013.

Resolutions:

BE IT RESOLVED that Section 3.3 of the Plan shall be restated to read as follows:

Section 3.3 - Employer Matching Contributions. Each Plan Year the Employer will make an Employer Matching Contribution to the Trust for each Participant (the “Employer Matching Contribution(s)”) as follows:

- (a) For each Participant who was an Employee prior to July 1, 2007, and who does not consent to an increase in the effective rate for his or her Employer Pick-Up Contributions under Section 3.5 in accordance with Appendices B-1 through B-4

- (b) or Appendices C-1 through C-3, as the case may be, the Employer will make an Employer Matching Contribution to the Trust in accordance with the Schedule of Rates for Employer Matching Contributions as set forth in Column 3 of Appendix A (that is, at a rate of 112 percent of the Participant's rate for his or her Employer Pick-Up Contributions as set forth in Column 2 of Appendix A).
- (c) For each Participant whose employment by the Employer commenced on or after July 1, 2007, and for each Participant who did consent to an increase in the effective rate for his or her Employer Pick-Up Contributions under Section 3.5 in accordance with Appendices B-1 through B-4, the Employer shall make an Employer Matching Contribution to the Trust in accordance with the Schedule of Rates for Employer Matching Contributions as set forth in Column 3 of Appendices B-1 through B-4 for the Plan Years beginning on July 1, 2007; July 1, 2008; July 1, 2009; and July 1, 2010, and thereafter.
- (d) For each Participant (i) who was an Employee prior to July 1, 2013, (ii) who did consent to an increase in the effective rate for his or her Employer Pick-Up Contributions under Section 3.5 in accordance with Appendices B-1 through B-4, and (iii) who does not consent to an increase in the effective rate for his or her Employer Pick-Up Contributions under Section 3.5 in accordance with Appendices C-1 through C-3, the Employer will make an Employer Matching Contribution to the Trust in accordance with the Schedule of Rates for Employer Matching Contributions as set forth in Column 3 of Appendices B-1 through B-4 for the Plan Years beginning on July 1, 2013, and thereafter.
- (e) For each Participant whose employment by the Employer commences on or after July 1, 2013, and for each Participant who does consent to an increase in the effective rate for his or her Employer Pick-Up Contributions under Section 3.5 in accordance with Appendices C-1 through C-3, the Employer will make an Employer Matching Contribution to the Trust in accordance with the Schedule of Rates for Employer Matching Contributions as set forth in Column 3 of Appendices C-1 through C-3 for the Plan Years beginning on July 1, 2013, July 1, 2014, and July 1, 2015, and thereafter.

The Plan Administrator shall maintain a separate accounting of those Participants who consent to an increase in the effective rate for his or her Employer pick-up contributions and a separate accounting for those Participants who do not consent to an increase in the effective rate for his or her Employer pick-up contributions, in accordance with this Section 3.3.

BE IT FURTHER RESOLVED that Section 3.5 of the Plan shall be restated to read as follows:

Section 3.5 - Rates for Employer Pick-Up Contributions. A Participant shall contribute a percentage of his or her Compensation, as Employer Pick-Up Contributions required under Section 3.1 (the "Employer Pick-Up Contributions"), in accordance with the applicable Schedules of Rates for Employer Pick-Up Contributions set forth in either Appendix A, Appendices B-1 through B-4, or Appendices C-1 through C-3, as follows:

- (a) An Employee who was an Employee prior to July 1, 2007 and who does not consent to an increase in the effective rate for his or her Employer Pick-Up Contributions in accordance with Appendices B-1 through B-4 or Appendices C-1 through C-3 shall contribute to the Trust, as Employer Pick-Up Contributions made by the Employer, an amount computed by applying the Schedule of Rates for Employer Pick-Up Contributions set forth in Column 2 of Appendix A.
- (b) An Employee whose employment with the District commences on or after July 1, 2007, and any Participant who does consent to an increase in the effective rate for his or her Employer Pick-Up Contributions in accordance with Appendices B-1 through B-4 shall contribute to the Trust, as Employer Pick-Up Contributions made by the Employer, an amount computed by applying the Schedule of Rates for Employer Pick-Up Contributions set forth in Column 2 of Appendices B-1 through B-4 for the Plan Years beginning on July 1, 2007, July 1, 2008, July 1, 2009, and July 1, 2010 and thereafter.
- (c) An Employee (i) who was an Employee prior to July 1, 2013, (ii) who did consent to an increase in the effective rate for his or her Employer Pick-Up Contributions in accordance with Appendices B-1 through B-4, and (iii) who does not consent to an increase in the effective rate for his or her Employer Pick-Up Contributions in accordance with Appendices C-1 through C-3, shall contribute to the Trust, as Employer Pick-Up Contributions made by the Employer, an amount computed by applying the Schedule of Rates for Employer Pick-Up Contributions set forth in Column 2 of Appendices B-1 through B-4 for the Plan Years beginning on July 1, 2013 and thereafter.
- (d) An Employee whose employment with the District commences on or after July 1, 2007, and any Participant who does consent to an increase in the effective rate for his or her Employer Pick-Up Contributions in accordance with Appendices C-1 through C-3 shall contribute to the Trust, as Employer Pick-Up Contributions made by the Employer, an amount computed by applying the Schedule of Rates for Employer Pick-Up Contributions set forth in Column 2 of Appendices C-1 through C-3 for the Plan Years beginning on July 1, 2013, July 1, 2014, and July 1, 2015 and thereafter.

- (e) The rate of contribution established for any Participant at the time he or she becomes a Participant shall not be changed at any time thereafter, unless it shall be determined by the Administrator that an error was made in establishing the rate, and the rate shall remain constant during participation and shall apply to any Compensation received by the Participant in the Plan.**

The Plan Administrator shall maintain a separate accounting of those Participants who consent to an increase in the effective rate for his or her Employer pick-up contributions and a separate accounting for those Participants who do not consent to an increase in the effective rate for his or her Employer pick-up contributions, in accordance with this Section 3.5.

BE IT FURTHER RESOLVED that the effective date of the amendments of Sections 3.3 and 3.5 of the Plan shall be July 1, 2013.

BE IT FURTHER RESOLVED that the Advisory Committee is hereby authorized and directed to establish the necessary or advisable procedures to allow each Participant a reasonable opportunity to consent to the computation of their employee contributions (to be made by the District to the Plan as Employer Pick-Up Contributions) in accordance with the increased rates for such contributions pursuant to Appendices C-1 through C-3.

BE IT FURTHER RESOLVED that, except as amended hereby, the Plan shall remain in full force and effect and that the form and content of the Plan, the provisions of which are incorporated herein by reference, be and the same hereby are in all respects authorized, approved, and confirmed; that the Superintendent of the District is hereby authorized and directed to execute and deliver the Plan for and on behalf of the District in substantially the form and content presented to the Board; and that, upon execution and delivery of the Plan, the Superintendent is authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Plan as executed.

BE IT FURTHER RESOLVED that the Superintendent is further directed to authorized the submission of the Plan, as amended, in restated form and such other information and documentation as determined to be necessary or advisable to the Internal Revenue Service, requesting a determination that the Plan, as amended by the foregoing resolutions, is qualified under applicable provisions of the Internal Revenue Code of 1986, as amended, and to complete such other actions on behalf of the District as shall be considered necessary or advisable for the qualification of the Plan.

Minutes

Mr. Harper stated the impact of bringing this plan into alignment with IPERS will be around \$170,000.

Mr. Hudson stated the 2008 recession caused IPERS to experience about a \$5 billion shortfall resulting in rate adjustments over a period of time for both employee and employer contributions for a combined total increase of 17%. The district took the position of decreasing benefits to compensate for the decrease in yield from investments. As a result, the Plan has a surplus of \$1.9 million. In order to stay competitive with IPERS, it is recommended that the contribution rate for DMTRS be increased over a three-year period. The Plan's advisory committee has approved the recommendation. If the board approves the proposal, the issue will go to the members of DMTRS for a vote.

Mr. Harper stated the district anticipated a request for an increase and has budgeted for it in the past several years. Since the Plan contribution rate was not adjusted, the funds reverted into a general fund at the end of each fiscal year. Going forward, approving a rate increase will not create a new budget cost for the \$170,000 since it is already included in the district's budget.

There are currently 442 members in the DMTRS Plan.

Action will be taken at the January 22 meeting.

Item No. 19**Page 1 of 2****Subject: ANNUAL AUDIT COMMITTEE REPORT****For: Information****Presentation: Verbal****Contact: Thomas Harper**
(thomas.harper@dmschools.org; 242-7745)**Attachment: 13-002 &
13-004**

Issue: Annual Audit Committee Report**Superintendent's Recommendation:** The superintendent recommends that the board receive the Audit Committee Report.**Presenter:** Skeet Wooten, Audit Committee Chair

Background: GFOA recommends that the Audit Committee submit a public report to the board on how it has discharged its duties and met its responsibilities. To ensure the Audit Committee has, in fact, met its obligation, it is further recommended the Audit Committee's annual report be accompanied by the Audit Committee Charter and enabling resolution or other legal documentation that established the committee and laid out its responsibilities. This is the first annual Audit Committee report to the board.

The annual report contains the following assertions:

- The Audit Committee has discussed the financial statements with both management and the independent auditors.
- The Audit Committee met with the independent auditors separately from management.
- The Audit Committee also met separately from both management and the independent auditors to arrive at its final conclusions.
- Based solely on these conversations, the Audit Committee reasonably believes that the district's financial reporting is adequate.

Minutes

Mr. Wooten stated the Audit Committee serves as the liaison between the board and the external auditor and is involved in the selection of the external audit firm. Members assist with hiring the internal auditor, which is currently in progress due to a recent resignation with interviews scheduled for this Friday. The associate internal auditor position is expected to also be filled in the near future. The Comprehensive Annual Financial Report (CAFR) and external audit report and findings are received and reviewed annually and discussed with the external auditor prior to the presentation to the board; internal controls are reviewed; and he reported that the Audit Committee has accepted the CAFR this year. The district has been recognized for five years in a row

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for excellence in financial reporting by the Government Finance Officers Association, and the Association of School Business Officials International has also awarded the district a Certificate of Excellence in Financial Reporting several times.

Ms. Boesen stated she has served on the Audit Committee as the board representative for many years. This group is very dedicated and really scrutinizes the CAFR and other reports.

Item No. 20**Page 1 of 2****Subject: EXTERNAL AUDIT REPORT – COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2012****For: ACTION****Presentation: PowerPoint****Contact: Thomas Harper****Attachment: 13-001**

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

Issue: 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.”

External auditors, McGladrey LLP have completed their audit of the financial statements of the district for the year ended June 30, 2012.

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

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

Presenters: McGladrey LLP staff

Background: The auditors conducted two audits, one on the basic financial statements (including compliance matters and test of controls) and a “single audit” on federal dollars. In these audits, 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 1), “In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position...”

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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...”

Single audit on federal dollars: The auditors stated (page 133) “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...”

Lastly, the audit report contains on pages ix and x copies of the Certificates for Excellence in Financial Reporting that the district received during FY 2012 based on its FY 2011 Comprehensive Annual Financial Report (CAFR). This is the fifth year in a row that the district has received these Certificates of Excellence.

The Letter of Transmittal (pages iii – vii), 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.

Minutes

Kevin Smith, partner at McGladrey LLP, reviewed the Certified Annual Financial Report (CAFR) that was prepared by management and reviewed by McGladrey staff, who provided opinions on whether information is fairly stated in accordance with Government Auditing Standards (GAS). The highest opinion that can be received was given to the district with no significant adjustments.

There are a few Governmental Accounting Standards Board (GASB) pronouncements issued over the last few years that will affect the district in 2015, the main one being GASB 63 relating to the new pension standard. This will impact how the district accounts for IPERS (a defined benefit plan) but not DMTRS (a defined contribution plan). The unfunded liability for IPERS will be allocated to each member as calculated by IPERS. The liability will not be reported in the district’s funds, but will be shown on the governmentwide statement, which appears on pages 16 and 17 of the current report.

Following additional discussion, Ms. Boesen moved approval of the external audit by McGladrey LLP as presented, second by Mr. Howard.

Aye: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney

Nay: None

Motion passed 7-0.

Item No. 21**Page 1 of 1****Subject: DES MOINES INDEPENDENT COMMUNITY SCHOOL DISTRICT
UNUSED SICK LEAVE AND EARLY RETIREMENT BENEFITS PLAN****For: ACTION****Presentation: None****Contact: Thomas Harper/Catherine McKay/
Scott Mikesch****Attachment: 13-005**

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

(catherine.mckay@dmschools.org; 242-8137) (scott.mikesch@dmschools.org; 242-7972)

Issue: Benefit Plan changes**Superintendent's Recommendation:** The superintendent recommends that the board adopt changes as presented.**Presenters:** Cathy McKay, Scott Mikesch and Thomas Harper will be available for questions.**Background:** DMPS has had an early retirement benefits plan whereby teachers and administrators can use their unused sick leave to pay future health care costs. A summary of the main changes are:

- Effective immediately, the plan is amended to address individuals who have transferred from positions that were covered under the plan to positions not covered under the plan. Plan is amended as of July 1, 2013, to include specialists who are classified as exempt under FLSA.
- The requirement to work 100 days in the final contract year has been removed to eliminate potential disability discrimination.

Minutes

Ms. McKay reviewed the above recommendations for changes to the eligibility requirements for the early retirement plan. The current plan states staff must provide notification by November 1 with board approval required to extend the date. It is recommended that the notification date be changed to April 1 of the year of retirement with the Department of Human Resources retaining the ability to set an earlier deadline for each classification.

Pending clarification of the 100-day cap on sick leave, action on the item was delayed until the January 22, 2013, meeting.

Speakers: Steve Barnes, AFSCME
Doug Smith, DMEA

Item No. 22**Page 1 of 1****Subject: EARLY RETIREMENT OPTION****For: ACTION****Presentation: None****Contact: Scott Mikesch/Thomas Harper****Attachments: None**

(scott.mikesch@dmschools.org; 242-7972; thomas.harper@dmschools.org; 242-7745)

Issue: The district would like to reopen the early retirement option for the first 40 employees that apply from February 4, 2013, through February 28, 2013.

Superintendent's Recommendation: The superintendent recommends the board approve an additional early retirement enrollment period for employees eligible under the current plan.

Presenters: Scott Mikesch and Thomas Harper will be available to answer questions.

Background: The deadline for application to retire at the conclusion of the 2012-13 school year was November 1, 2012; 53 employees chose to apply, leaving 562 additional employees who are eligible for early retirement. By offering another enrollment period, the district may see additional savings opportunities. The district will accept the first 40 applicants this session.

Minutes

Mr. Jongewaard moved approval of the recommendation to open an additional early retirement enrollment period for the first 40 employees applying between February 4 through February 28, 2013, second by Ms. Boesen.

Aye: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney

Nay: None

Motion passed 7-0

Item No. 23**Page 1 of 2****Subject: DISTRICTWIDE WELLNESS INITIATIVE****For: INFORMATION/DISCUSSION****Presentation: PowerPoint****Contact: Thomas Harper****Attachment: None**((thomas.harper@dmschools.org; 242-7745))

Issue: District Wellness Initiative

Superintendent's Recommendation: The superintendent recommends the board receive information on initiatives offered to encourage and support healthier lifestyles for employees.

Presenters: Cathy McKay

Background: The cost of employee health-care benefits has increased rapidly over recent years, contributing to the budgetary stress that school districts are already facing as a result of declining or stagnant revenues and escalating costs in other areas. While public employers are under pressure to contain employee benefit costs, they are also motivated to provide benefits that help them maintain a healthy and productive workforce and attract the best employees to public service.

We found that public employers have a range of potential strategies available, each of which relies on different underlying approaches to contain costs and preserve benefit quality. For example, wellness programs reduce employees' needs for costly medical interventions and increase quality of life by focusing on preventative strategies like nutrition and fitness.

The district has committed to wellness initiatives for the 2012-2013 school year. The wellness initiatives are intended to assist in the management of health insurance rates and increase employee productivity and morale. A brief presentation will address progress and plans as they relate to wellness.

Minutes

Cathy McKay stated there are six domains of health that the Healthiest State Initiative looks at: community, workplace, social life, personal well-being, financial health and home life. All have mechanisms in place to measure each one. Tagging onto the state's initiative, Wellmark and Health Ways have come up with the Blue Zones Project with the goal to help people not just live longer, but to live longer and have quality of life.

Cost of health care in the district has increased over the last several years. The district has implemented the easy changes to control the health insurance rate such as

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changing deductibles and prescription changes, but they do not take care of the problems driving health care costs. Catastrophic care accounts for 31% of health insurance spending. The other 69% includes chronic illnesses, preventative care and elective surgeries. Contributing factors are access to health care, environment, behavior and genetics at 20%. We have the ability to control 70% of contributing factors to health care costs.

Steps by the district include:

- Using the Health Benefits Advisory Committee as more of a wellness committee.
- Performed a needs assessment survey in 2010-11.
- Performed an environmental assessment at 13 schools.
- Developed a strategic plan with a communication plan.
- Developed a logo for branding all communication.
- Obtained union support and partnership and put in place some mechanisms for future well-being assessments.
- Looking at obtaining wellness champions in each building to talk about the plans, programs and offerings.
- Offered biometric screenings to all employees with approximately 700 voluntary participants.
- A well-being assessment (on-line survey) will be offered on January 30 during the early-out PD day.
- Developed a newsletter with tips on wellness and upcoming programs.
- Working on programming in response to the two surveys.

Mr. Jongewaard looks forward to detailed plans on expanded activity and mentioned efforts at Meredith Corporation. Their CEO, Steve Lacey, volunteered to make available their director of wellness to provide a case study of their work.

Ms. Elsbernd commented on the impact this will have on kids when healthier adults are working with them and modeling healthy behavior.

Mr. Howard hopes all departments and bargaining units are included and that a wellness center can be maintained in the district.

Mr. Murphy recommends providing incentives to participate in surveys to obtain broader statistics.

Speakers: Andrew Rasmussen, DMEA
Shannon Mullens, AFSCME

Item No. 24**Page 1 of 2****Subject: FINAL PLANS FOR HOYT MIDDLE SCHOOL ADDITION AND MECHANICAL AND ELECTRICAL UPGRADES****For: ACTION****Presentation: PowerPoint****Contact: Bill Good****Attachment: None**

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

Issue: Final plans for Hoyt Middle School addition and mechanical and electrical upgrades.

Superintendent's Recommendation: The superintendent recommends that the board approve the final plans and specifications prepared by The Design Group Architecture for the addition and mechanical/electrical upgrades at Hoyt Middle School.

Background: As part of Students First/statewide penny, the main focus of this project is an addition which will include new classrooms eliminating open classrooms. Also included in this project will be a mechanical/electrical upgrade, window and door replacements, technology, and safety and security upgrades.

Detailed final plans and specifications are available for review at the Operations Center, 1917 Dean Ave. Floor plans and elevations are available on the district web site:

<http://www.dmschools.org/departments/operations/construction/students-first/renovation-construction-plans/>

Presenters: Laura Kacer, Bill Good, and The Design Group Architecture staff

Minutes

Laura Kacer provided background on the school then introduced Vasil Petrov from The Design Group Architecture. Mr. Petrov reviewed the master plan and major improvements of the project—highlights include new additions; a new entry; and complete update of the mechanical, electrical and telecom systems. Energy efficiency measures will be accomplished with improved lighting; occupancy-sensor controls; high-efficiency cooling and boilers; and replacing single-pane windows with thermal windows with insulating glass and low-heat coating. New sprinklers will be installed throughout the building. The open classrooms will be converted into separate classrooms. A total of 11 classrooms will be added and restrooms will meet ADA requirements. The main entrance will have an access-controlled vestibule, and care will be taken to blend the exterior brick.

Mr. Good stated substantial completion is planned for August 15 with a budget of \$7.5M. The grove will be retained and other trees will be replaced.

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Mr. Howard moved approval of the superintendent's recommendation for Hoyt Middle School renovation. Second by Ms. Boesen.

Aye: Boesen, Caldwell-Johnson, Elsbernd, Howard, Jongewaard, Murphy, Sweeney

Nay: None

Motion passed 7-0.

Item No. 25**Page 1 of 1****Subject: HOYT RENOVATION AND ADDITION****For: PUBLIC HEARING/ACTION****Presentation: None****Contact: Bill Good****Attachment: None**

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

Issue: Approval of the plans and specifications for the renovation and addition package for Hoyt Middle School. Publication for the public hearing was included in The Des Moines Register on December 21, 2012.

Superintendent's Recommendation: The superintendent recommends that the board approve the plans and specifications prepared by The Design Group Architecture for the renovation and addition package for Hoyt Middle School.

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

Background: This project will provide an addition for classroom space and renovate the existing open classroom spaces into contained classrooms. This project will also enhance energy efficiency and safety/security measures. It will provide electrical upgrades including new lighting, a fire sprinkler system, upgraded technology, and improvements to the mechanical systems.

A copy of the plans and specifications are available for review at the district's Operation Center, 1917 Dean Ave.

Funding: Statewide Penny (Students First Program)

Minutes

The public hearing was called to order at 8:54 p.m. With no speakers, the public hearing was closed.

Mr. Howard moved approval of the superintendent's recommendation. Second by Ms. Elsbernd.

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