

Minutes of the Study and Voting Session of March 23, 2010

Prescott Unified School District Governing Board

A Regular Study and Voting Session meeting of the Governing Board of Prescott Unified School District was held Tuesday, March 23, 2010, beginning at 5:30 p.m. in the Board Room located at the District Office, 146 South Granite Street, Prescott, Arizona.

Board Members Present:

President Joan Fleming
Andy Newton
Dee Navarro
Steve Campbell
Tina Seeley

Others Present:

Kevin Kapp, Superintendent
Renee Raskin, Chief Financial Officer
Taylor Robbins, Student Representative
Andrea Mayer, Adm. Asst. to the Governing Board

District Personnel and Members of the Public Present:

Paula Rhoden	Beth Zachary	Bill Zachary
Joe Peters	Andy Ruddock	Lynne LaMaster
Connie Ziebell	Robert Young	Joseph Sanchez
Peggy Wells	Bill Monroe	Carol Yetman
Helen Vick	Mike McCrady	David Martin
Dave McGee		

CALL TO ORDER

President Joan Fleming called the meeting to order at 5:32 p.m.

OPENING CEREMONY AND WELCOME AND INTRODUCTIONS

President Fleming welcomed everyone in attendance and Mr. Taylor Robbin led the audience in the Pledge of Allegiance. President Fleming welcomed Peggy Wells with Prescott eNews.

APPROVAL OF AGENDA

President Fleming asked Mr. Kapp if the agenda was in order. Mr. Kapp responded that the agenda was in order.

Mrs. Dee Navarro moved that the Governing Board approve the agenda as amended.
Mrs. Steve Campbell seconded the motion.

Dr. Andy Newton voted aye, Mrs. Tina Seeley voted aye, Mrs. Dee Navarro voted aye,
Mr. Steve Campbell voted aye, and President Fleming voted aye. The motion carried
5-0.

PRESENTATIONS

Mr. Joe Peters gave a presentation on The Prime-Choice Plan. He reported that this program had come to him through PEA, which would be an alternate plan regarding the current buyout for sick leave policy. He noted that he would review how it would impact employees and go through hypothetical situations with the current policy and the proposed program, and that it was good news from the district and staff perspective.

He noted that currently as you earn sick leave and don't use it, it accrues over time. In order to be eligible for this program the employee must have ten years of service. The district currently pays the buyback amount at .25% per 8 hours for up to 640 hours and then 50% of the current daily rate of pay for substitute teachers for any hours/days beyond 640 hours accumulated earned leave. He then gave an example of how this process works. The money is paid upon departure and is taxed as income and salary for both the employee and the district and the employee could lose 25-40% to taxes (Medicare, Federal, Arizona) with the district having to pay 7.65% for FICA.

He reported that under the proposed plan the employee must still have ten years of service and would receive the same compensation for accrued sick leave and would then have two options.

Mandatory Contribution to PRIME-Trust (similar to a medical savings account):

For the Employee:

- No FICA taxes
- Tax free health insurance benefits & expenses
- No federal or state income tax on benefits
- No sales or surrender charges

For the Employer:

- No FICA contribution
- No cost to implement

OR

Mandatory Contribution to a 401(a) or 403(b) Plan:

For the Employee:

- No FICA taxes
- Complete liquidity
- Opportunity to defer federal and state income tax options
- No sales or surrender charges

For the Employer:

- No FICA contribution
- No cost to implement* (*in low value district's, there could be a fee paid)

Mr. Peters noted that this is becoming widely accepted through many school districts. He added that this is an all or nothing plan and employees would have to choose from option one or two through an exit interview to help the employee determine what option to use.

Mr. Robert Young then answered questions from board members regarding the proposed plan.

CURRENT EVENTS

Mr. Kapp thanked board members for attending the Superintendent's Awards Ceremony on Monday where 48 of the 51 students were in attendance.

Mr. Kapp reported that two of our schools had a situation where someone in a vehicle parked on the street were taking pictures of the school and children. He noted that the vehicle was a red Toyota Corolla with Washington plates. He added that a person from the state of Washington actually spoke with Mr. Peterson at Abia Judd and then was at Lincoln and when approached the vehicle took off. He reported that the police have been contacted and that he would be doing an Edu-Link message to parents to make them aware of this situation. He stated that it may be innocent but that he would never want to under-react.

President Fleming noted that four board members attended the Superintendent's Awards Ceremony and that it was an idea from Mrs. Navarro to recognize students who are just simply good kids with good character. Mr. Kapp noted that this is the second year of this program and a lot of teachers attend, which adds to the specialness for the students.

STUDY AND VOTING SESSION:

CONSIDER APPROVING A TWO-YEAR CONTRACT WITH MR. DAVE SMUCKER, SUPERINTENDENT-ELECT, FOR THE 2010-2012 SCHOOL YEARS AS PRESENTED

Dr. Andy Newton moved that the Governing Board approve a two-year contract with Mr. Dave Smucker, Superintendent-Elect, for the 2010-2012 school years as presented. Mrs. Tina Seeley seconded the motion.

Mr. Kapp reported that the contract was reviewed by Dean Pickett who did find some minor changes, so the contract was revised and sent to Mr. Smucker, who signed it and faxed it back to us.

Dr. Andy Newton voted aye, Mrs. Tina Seeley voted aye, Mrs. Dee Navarro voted aye, Mr. Steve Campbell voted aye, and President Joan Fleming voted aye. The motion carried 5-0.

CONSIDER APPROVING OUT-OF-STATE TRAVEL FOR JEANNE ZANDER, DIRECTOR OF PURCHASING/INTERNAL AUDIT, TO TRAVEL TO LAUGHLIN, NEVADA, APRIL 1-2, 2010, TO ATTEND THE 2010 SPRING CONFERENCE SPONSORED BY THE ARIZONA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Mrs. Dee Navarro moved that the Governing Board approve out-of-state travel for Jeanne Zander, Director of Purchasing/Internal Audit, to travel to Laughlin, Nevada, April 1-2, 2010, to attend the 2010 Spring Conference sponsored by the Arizona Association of School Business Officials. Mr. Steve Campbell seconded the motion.

Dr. Andy Newton voted aye, Mrs. Tina Seeley voted aye, Mrs. Dee Navarro voted aye, Mr. Steve Campbell voted aye, and President Joan Fleming voted aye. The motion carried 5-0.

ADJOURNMENT

Mrs. Dee Navarro requested that a board calendar be placed on a future agenda that would include annual events such as the delegate assembly, legislative proposals, dates for superintendent evaluation, etc. Mr. Kapp stated that there was no need to place that on the item and that Mrs. Mayer would take care of the request.

Mr. Kapp reminded board members that the April meetings will be held on the 13th and 20th. He noted that on April 13th he would like to do a one-hour budget work session at 4:30 p.m. to present to the board some ideas for balancing the budget. He stated that he has been working with the DLT in trying to come up with ideas. He added that the state budget was approved, that it's a rough budget, but that we now have numbers. He stated that he'd like to present two scenarios to the board regarding what the numbers mean to PUSD – one for if the one cent sales tax passes and one for if it does not pass. As soon as we know what the numbers are, we'll send them to the entire district.

President Fleming noted that the election will be held on May 18th and asked if ASBA was doing anything to publicize this. Mrs. Navarro responded that they're working on it. President Fleming noted that this election is really for schools. Mr. Kapp noted that we can legally share numbers with the public, being careful not to promote in any way. He added that if it doesn't pass the district will lose all of our unrestricted capital – most of which we have moved to M & O and would equate to about \$1.4 million.

Mr. Kapp noted that the district is still waiting for the Prop 301 numbers since 20% of that goes into the teacher salary schedule. He added that the board has the option of lowering the salary schedule or make other plans to make sure the schedule stays intact.

Mrs. Navarro noted that if the state funds 1.2% for transportation, ASBA will probably file a lawsuit.

Mr. Kapp noted that he is working with the principals on ideas and will bring in the association representatives. The board will be asked to approve "The Plan" just as we did last year.

Mrs. Navarro asked is we had any idea what we would be cutting from this year's budget. Mrs. Raskin responded, we're not going to have a mid-year cut this year.

Hearing no objection, President Fleming adjourned the meeting at 6:20 p.m.

Governing Board Member