

DRAFT Minutes

AMPHITHEATER PUBLIC SCHOOLS Tucson, Arizona

MINUTES OF REGULAR PUBLIC MEETING OF THE GOVERNING BOARD

Place, Date and Time of Meeting

Wetmore Center, 701 West Wetmore Road, March 8, 2011, 6:15 p.m.

Board Members Present

Mr. Jeff Grant, President
Ms. Diana Boros, Vice President
Dr. Kent Paul Barrabee, Member
Dr. Linda Loomis, Member
Mrs. Susan Zibrat, Member

Central Administrators Present

Dr. Vicki McLeod Balentine, Superintendent
Todd A. Jaeger, J.D., Associate to Superintendent and General Counsel
Mr. Patrick Nelson, Associate Superintendent
Mr. Scott Little, Chief Financial Officer

OPENING OF MEETING

Call to Order

Mr. Grant called the meeting to order at 6:17 p.m.

1. EXECUTIVE SESSION

A. Motion to Recess Open Meeting and Hold an Executive Session for:

1. Discussion and Consultation with Representatives of the Governing Board in Order to Consider Its Position and Instruct Its Representatives for the Meet and Confer Process Pertaining to Compensation and Benefits for Certificated, Professional Non-Teaching, Support and Administrative Staff for the 2011-2012 Contract Year, Pursuant to A.R.S. §38-431.03(A)(5).

A motion was made by Dr. Loomis that the Board recess into Executive Session pursuant to A.R.S. §38-431.03(A)(5). Mrs. Boros seconded the motion and it passed unanimously, 5-0. Mr. Grant called a recess at 6:18 p.m. for the purpose of holding Executive Session.

B. Motion to Close Executive Session and Reconvene Open Meeting

Upon return to the Board Room, Mrs. Boros moved to reconvene the meeting into open session. Dr. Barrabee seconded the motion and it passed, unanimously, 5-0. The time was 7:11 p.m. Mr. Grant declared the meeting in open session.

CONTINUATION OF OPEN MEETING

Call to Order and Signing of Visitors' Register

Mr. Grant called the meeting to order at 7:11 p.m. and invited members of the audience to sign the visitors' register. Procedures for addressing the Board were described.

Pledge of Allegiance

Ms. Tassi Call, Principal from Amphitheater Middle School, introduced the following students, who were present and led the Pledge of Allegiance: Anne Rose Jemes, Courtney Manning, Chanel Golden, Tyler McVay, and Biviana Redondo. Each student was presented with a Certificate of Commendation.

Dr. Barrabee acknowledged the Art Display in the Board Room. He commended the Amphitheater Middle School students and art teacher, Susan Rider, for their contributions.

Announcement of Date and Place of Next Special Governing Board Meeting

Mr. Grant announced the next special meeting of the Governing Board: Tuesday, March 29, 2011, 6:00 p.m., Wetmore Center, 701 W. Wetmore Road.

PUBLIC COMMENT¹

There were no comments from the public

2. **INFORMATION² AND RECOGNITION(S)**

A. A. Status of Bond Projects

Mr. Chris Louth, Bond Projects Manager, was introduced to present this month's (PowerPoint) status update on the current Bond-funded Projects (as provided with Board book materials). Mr. Louth noted that the reporting format is listed within the five categories, as identified by the Blue Ribbon Committee, as areas of need. *[A Bond-election initiative to fund capital improvement projects was voter-passed on November 6, 2007; this is the monthly update, which began at the 12/11/07 Governing Board meeting].*

Mr. Louth announced that the Bond Projects Department has added a staff member; he introduced Mr. Brian Nottingham, who will serve as the Assistant Bond Projects Manager.

Additionally, *The Cornerstone Committee* is a group of Southern Arizona construction organizations that unite once a year to recognize top construction-related professionals in Southern Arizona. This year Amphitheater Public Schools received the Cornerstone Award for "Owner of the Year;" this is a prestigious award and Amphitheater is pleased to have been selected as its recipient. The program recognizes skill, responsibility, and integrity in the construction industry and design professions.
<http://www.nawictucson.org/id16.html>

I. HEALTH, SAFETY, AND SECURITY

A. Facility Support Services Center (FSS): *Construction is 86% complete. Exterior concrete and paving, interior shops finish mechanical connections, and interior office finishes are in process. This project is ahead of schedule and on budget.*

II. INSTRUCTIONAL SPACE / PORTABLE REPLACEMENT

A. Coronado K-8 Classroom, Kitchen, and Fine Arts Addition / Remodel: *Construction is 89% complete. Phase 3 construction – the remodel of the existing kitchen and the small gym restrooms is in process. Paint and trim are currently being installed. These areas will be complete and moved into during spring break. Phase 4 construction – the remodel of the existing computer lab into the choir room and music practice rooms will start following spring break. Portables will be removed during summer break 2011. This project is currently on schedule and on budget.*

B. Rillito Center Addition: *Construction is 35% complete. CMU exterior walls are being completed. Steel roof joists and roof decking are being installed. Interior MPE is ongoing. This project is on schedule and on budget.*

C. CDO Theater Updates: *Construction is complete. This project was completed ahead of schedule and on budget.*

D. Nash Elementary Classroom Addition: *Portable demolition will take place soon so site preparation and construction can start.*

E. Walker Elementary Classroom Addition: *Plan review is complete for the Walker addition and a GMP is on tonight's consent agenda for governing board approval.*

III. New classrooms/Increased capacity; IV. Technology infrastructure updates; and, V. Transportation: No new activity to report at this time.

B. Recognition of Oro Valley Community Foundation

Board Book information: *The Oro Valley Community Foundation (OVCF) is a non-profit, community corporation created by and for the people of the greater Oro Valley region. The OVCF has established an unrestricted fund to address critical needs and to enhance and enrich lives in the Oro Valley region. Strategic grants are made from this fund to support a variety of programs, such as youth scholarships, sports activities, educational needs and school lunch subsidies. Its grant making ensures that Oro Valley residents have transportation, access to local medical facilities and food. They contribute funding for community arts, music and sciences.*

In March of 2010 the OVCF announced the unveiling of a Technology Initiative, which will benefit Amphitheater Public Schools. This Foundation, in partnership with other associations, such as the Amphitheater Foundation, planned to raise funds to update technology in classrooms and supply teachers with training on new software platforms.

Mr. Richard Eggerding, President of the Oro Valley Community Foundation, Ms. Kay Williams, Oro Valley Community Foundation Officer, and Mr. Ben Wichers, President of the Amphi Foundation, will be in attendance to provide an update on the Technology Initiative.

Dr. Balentine stated that *The Amphi Foundation* supports and benefits the students and teachers of Amphitheater Public Schools through fundraising and volunteerism; one such program is the *21st Century Classroom Initiative*. (<http://www.amphi.com/departments/amphifoundation/info.html>)

This past weekend, the Foundation hosted its annual Gala event. The District has been fortunate in recent years to have another community-based organization contribute their efforts for Amphi students – the Oro Valley Foundation.

Dr. Balentine introduced both Mr. Richard Eggerding, President of the Oro Valley Foundation and Mr. Ben Wichers, President of the Amphi Foundation. Mr. Eggerding, who was accompanied by several of his Board members, noted that the Foundation's charge is dedicated to the youth of the Amphi School District; and, that the District's School Board and Dr. Balentine are held in the highest regard. On behalf of the Oro Valley Foundation, Mr. Eggerding presented a check in the amount of \$20,000. to Mr. Wichers on behalf of the Amphi Foundation for its 21st Century Classroom project. Mr. Eggerding noted the importance and necessity by each citizen to make Public Education – educating the community's children, a priority. He also highlighted other projects that the OV Foundation has partnered with the District on, such as: providing grants to install SmartBoards in schools, obtaining 30 computers from Raytheon, and contributing to various PTO-organized reading rooms and supplies.

Dr. Barrabee expressed his deep appreciation to Mr. Eggerding and Mr. Wichers and their foundations for their efforts; and, then addressed the students in attendance – noting the importance, value, and recognition of what it means to be a "contributing member" of the community and serve as role models.

Mrs. Zibrat added that she too applauds the dedication provide by the foundations' to the District's community and is proud of these partnerships.

Mr. Grant, on behalf of the Governing Board, added his comments of appreciation.

Dr. Balentine reminded Mr. Eggerding about a conversation of some years past, in which he noted the much-needed renovations in the auditorium at CDO. She noted that the Bond Projects are focusing on what the community values, as demonstrated in the earlier Bond-Projects update – specifically about the completion of the CDO auditorium renovations.

C. Introduction of Amphitheater High School Student Advisory Council Members

Board Book information: *The Superintendent would like to introduce the Student Advisory Council members of Amphitheater High School and acknowledge them for their service to their classmates and school as members of the Superintendent's Student Advisory Council. Their input during group discussions and their concern for Amphitheater High School (AHS) provides the students and Superintendent an opportunity to talk informally about student issues and concerns.*

Dr. Balentine provided an overview about these student council meetings, which are held at each of the high schools periodically throughout the year. She recognized the students and values their

contributions in the decision-making process. Dr. Balentine introduced the Amphitheater High School Student Advisory Council members: Tamara Alani, J.D. Aquilina, Charles Benson, Shay Blakely, Crispin Chavira Alvarez, Michele Chow, Gina Esterline, Lupita Gamez, Mark Hopkins, Juan Lopez, Dyanna Maestas, Kevin Nguyen, Joanna Parra, Miranda Richardson Snow, Olivia Ridge, and Edgar Sanchez Cortez.

The Governing Board expressed their appreciation to the Student Council Advisory members for their involvement and praised Charles (Benson) for the poise and adeptness of comments made responding to an inquiry made by Dr. Barrabee.

D. Recognition of Amphitheater High School Boys Basketball, Division 4A II State Champions, 2011

Dr. Balentine invited Mr. Armando Soto, Assistant Principal from Amphitheater High School, to introduce head coach Ben Hurley, who in turn introduced the following student athletes: Sam Farhat, Mark Hopkins, Lester Medford, Domineik Banks, Fred Simms, Hakeem Johnson, Clarence Williams, Tim Derksen, Ryan Farhat, Charles Benson, Tony Lillard, Jared Roth, Joey Bemis, Jose Rios, and Donald Selig; Assistant Coaches: Ben Hurley, Pat Derksen, Marty Roth, Sohaib Fella, and Ryan Montijo; and, Managers: Cornelius Copeland and Kenny Fry.

The Governing Board recognized the Amphitheater High School student athletes and coaches for achieving the 2010-2011 4A Division II Boys Basketball State Championship. The students, coaches, and managers were presented with certificates of commendation.

E. Recognition of Ironwood Ridge High School Wrestling, Division II State Champions, 2011 – Team and Individual

Dr. Balentine invited Ms. Terri Amonson, Assistant Principal from Ironwood Ridge High School, to introduce head coach Tim Berrier, who in turn introduced the following student athletes: Cameron Grant, Joey Howard, Connor Buette, Tate Sandifer, Matt Filbert, Troy Taylor, Ruben Valdez, Payton Navarrete, Walker Slaughter, David Wilson, Adam Bingham, Trevor Willson, Alex Keeter, Mike Dominguez, Tanner Todd, Nate Grimes, Robert Gerdon, Evan Anway, Braden Whitaker, Eddie Gonzalez, Bayou Guzman, Joe Wallantine, and Tristan Moredecai. Also, recognized for their individual achievements were: Connor Buette 119 pounds state champ, Tate Sandifer 125 pounds state champ, Walker Slaughter 152 pounds state champ, Ruben Valdez 140 pounds state runner up, and David Wilson 160 pounds state runner-up; and, Coaches: Tim Berrier, Paul Vasquez, Jeff Hannan, and Ray Nunamaker.

The Governing Board recognized the Ironwood Ridge High School student athletes and coaches for achieving the 2010-2011 5A Division II Wrestling State Championship and the special personal achievements as noted. The students and coaches were presented with certificates of commendation.

F. Recognition of Ironwood Ridge High School Girls Soccer, Division II State Runners Up, 2011

Dr. Balentine invited Ms. Terri Amonson, Assistant Principal from Ironwood Ridge High School, to introduce head coach Sean Watkins, who in turn introduced the following student athletes: Abigail (Abby) Barbera, Cameron (Camie) Barbera, Michelle Busse, Katie Cocchi, Lauren DeBelisio, Elizabeth Fritz, Amalia Garcia, Sarah Hefferan, Madison Kinzer, Lauren Kummerow, Robin Landrith, Kaitlyn Lopez, Madison McEldowney, Rachel Ridlinghafer, Breck Robinson, Kimberly Shultz, Morgan Sibson, Victoria Volk, Micah Wenzel, and Kaitlyn Williams; and, Coaches: Sean Watkins and Samantha Burgin.

The Governing Board recognized the Ironwood Ridge High School student athletes and coaches for achieving the 2010-2011 5A Division II Girls Soccer State Championship. The students and coaches were presented with certificates of commendation.

G. Resolution Recognizing the Special Contributions of Educational Support Personnel

Board Book information: *It takes many employees of every job description to make a school district run and provide a quality education to students. Each year, nationally organized activities direct attention to the invaluable efforts of teachers and school administrative assistants. But, there many other important contributions made by other school personnel that do not receive their own special day of recognition.*

The District's Educational Support Personnel, also known as "Classified Staff" serve in many crucial roles throughout the district, including but certainly not limited to: bus drivers and monitors, carpenters, groundskeepers, clerical personnel, food service personnel, and custodians. These people play instrumental roles in creating safe, clean, and welcoming school environments that meet student, parent and community needs.

While one day a year of recognition does not approach the level of appreciation due to these dedicated staff members, the Governing Board has for several years set aside a day to highlight the contributions of our support staff.

Dr. Balentine reviewed the item's information and read into record the prepared Resolution. [Mr. Grant noted a minor verbiage change.]

Dr. Barrabee stated that the District's support staff are all very much appreciated for their contributions and the services that they provide. Mr. Grant echoed Dr. Barrabee's comments of appreciation.

A motion was made by Dr. Barrabee to approve the Resolution recognizing the special contributions of educational support personnel and sets apart Wednesday, April 27, 2011 as *Educational Support Staff Appreciation Day*. Mrs. Boros seconded the motion and it passed unanimously, 5-0. (Exhibit 6, pp. 1-2)

H. Review 2010-2011 Budget Development; Review of Budget Cuts 2008-2010

Dr. Balentine stated that due to the unfortunate circumstances surrounding the (downturned) economy and resulting budget realities that impact the State; the realities in Arizona are very serious and leave school districts struggling and left with many unknowns with the budget development process. The leadership within education had anticipated mid-year budget cuts but at this time no specific legislative proposals have been announced. It has been reported that the JLBC (Joint Legislative Budget Committee) has proposed at least one additional budget cut from that what was announced in the Governor's proposal released (January 2011).

Dr. Balentine invited Mr. Little to provide a review of legislative budget cuts, which have already occurred and accordingly have already been absorbed into the District's budgets between the 2008-2009 school year and the present-time. The information is presented this evening in order to provide some perspective and context as the current year's budget development process proceeds. Dr. Balentine noted that there is a real need to ensure some 2,000 employees about their job status and to ensure that the twenty plus (20+) District facilities are well-maintained and do not fall into disrepair or experience catastrophic system failures. There is concern and issues need to be addressed related to the realities stemming from previous budget cuts and they are expected to occur again and will need to be covered by other funding sources.

Mr. Little provided funding history related to Base Support Level (BSL) as related to Proposition 301, noting that aside from the 0.6% cent sales tax increase, 301 also contained provisions to fund inflationary increases for school districts. Actual dollars in the funding formula are described as: the BSL combined with the weighted student-count produces an amount per student. In 2008-2009, the mid-year budget cuts resulted in roll-backs (from \$3,291.42 to \$3,203.65 per student). In 2009-2010, an increase was given (\$3,267.72); however, not restored to the same amount as that at the beginning of the previous year. The BSL remains at the 2009-2010 level. There are concerns about how school districts will be affected and directed as a result of further additional budget cuts that are still expected for this current year. The bulk of school district budgets are committed through the end of the school year (June 30th); and, with the school semester ending in May, just two months from now, there is not much time to accommodate budget cuts.

In 2008-2009, legislative budget cuts were announced (January 2009) totaling approximately \$133,000,000. statewide resulting in formulaic-based budget reductions to Amphi totaling \$4,314,921. (M & O: \$1,769,749; Soft Capital: \$364,276; and, unfunded Building Renewal: \$2,180,897.). He noted that the bulk of these cuts resulted from organizational changes (one-time adjustments; centralized cuts); comparatively, very little of these cuts were at the school level. [M & O - Maintenance & Operations]

In 2009-2010, the legislative trend of budget reductions continued; Amphi realized additional cuts totaling \$7,846,333. (0.5% to Career Ladder: 340,416.; 80% to Soft Capital: \$2,686,862.; All Day Kinder: \$2,638,158.; and, continued non-funding of Building Renewal: \$2,180,897.).

The 2010-2011 school year began with cuts totaling \$7,963,163 (0.5% to Career Ladder: 325,408; Soft Capital: \$2,827,568; All Day Kinder: \$2,629,290; and, continued non-funding of Building Renewal: \$2,180,897.). Additionally, this approximately \$8 million is before considering the loss of revenues to Classroom Site Fund (Classroom site fund enacted by Proposition 301), which funds teacher pay and performance pay; also does not include lost grant funding; or, the cost of borrowing, which is now necessary as a result of cash flow disruption due to delayed (funding) payments. Expectations are that next year's cuts will be beyond the amounts that are a current reality.

Dr. Barrabee inquired about the actual percentage of dollars lost for Amphitheater Public Schools. Mr. Little stated that he approximates that total to be approximately 6-7%. He added that, relative to inflation, between 2001-2002 and the start of the 2008-2009 school year, funding is a mere .5% greater than inflation over a period of almost a decade – and, emphasizing that this is prior to these most recent reductions to current levels of funding to M & O.

Dr. Barrabee sought clarification regarding the loss of a court case related to Proposition 301 (Classroom Site Fund). Mr. Little summarized Proposition 301 (a voter-approved referendum passed in 2000 and is in effect through 2021) as funding for public schools to be adjusted slightly upward to keep pace with the rate of inflation. Initially, Janet Napolitano, then Attorney General, opined that Proposition 301 required the BSL and other components of the school funding formula be adjusted upward by two percent each year. In 2010-2011, the legislature applied this funding formula to only one small component of the school funding formula - student transportation route miles. This deviation from practice and the resulting loss in funding for school districts was challenged in court; however, the presiding Judge (Mangum) refused to order the legislature to make that adjustment in funding.

I. Consideration of Strategies to Inform Community Members of Dire Budget Cuts

Board Book information: *Over the course of the last several years, Amphitheater Public Schools has lost millions of dollars in financial support normally received from the State of Arizona. Amphi is not alone in this respect, of course. The cost to public education across the state in recent years is in the billions, substantially diminishing the services and programs available to students and their families. Collectively, the scale of these cuts to educational programs is staggering. And yet, basic information (and, consequently, public awareness and understanding) about this reality is often lacking.*

Compounding the outright lack of information and its impact upon public understanding is the misunderstanding and – arguably – misinformation that exists. For example, after the most recent cuts for the current fiscal year were made this past summer, some speaking about the cuts described them as “minor” or approximated the reductions as being “in the neighborhood” of 2%.

Public confusion also exists following passage of Proposition 100 in May 2010. Many people misunderstand the impact of the ballot measure, with some believing that passage of the measure completely prevented budget cuts.

Amphitheater's reality (a reality shared by many other districts) does not bear out these misunderstandings. During this fiscal year, even after passage of Prop 100, the District experienced the budget reductions shown in the following table – resulting in lost funds far exceeding 2% of the District's budget.

<i>Budget Cut</i>	<i>Amphi Impact</i>
<i>80% cut to soft capital</i>	<i>\$ 2,827,568</i>
<i>All Day K funding loss</i>	<i>\$ 2,629,290</i>
<i>Building Renewal</i>	<i>\$ 2,180,897</i>
<i>Grant Reductions</i>	<i>\$ 942,000</i>

Career Ladder Cut	\$	325,408
Reduced 301	\$	1,934,000
Total Reductions	\$	10,839,163

If these figures for the current fiscal year were not daunting enough in their effect, it is important to remember that the state budget remains in a deficit position. Originally estimated at \$850 million, the latest estimate places the deficit (and the additional cuts required to balance the budget) at \$530 dollars. Eventually, one might assume all these cuts will actually be “in the neighborhood” of real money.

It is also important to remember that while the need to make the additional budget reductions for this fiscal year has been known since May of 2010, no action has yet been taken by the legislature to effect the necessary reductions. And now, with less than 4 months remaining in the fiscal year, more than half-a-billion dollars must be trimmed -- from somewhere. The Governor's budget revisions for the current year propose the following “somewheres” affecting schools:

- *“Rolling over” another \$245 million of the state's revenue distributions to public schools. This will mean that approximately 25% of the state's total funding being will be delayed, requiring schools to borrow the funds and incur debt and interest expenses.*
- *Taking \$101 million of the federal EduJobs Bill funding away from schools to “backfill” a state-funding cut to schools in the same amount.*

So, the economic picture for this year's education budget is bleak. And, perhaps, many already understand that fact. But, the import of this year's situation is justifiably amplified when recent budget history is recalled as well.

In 2009-2010 (last fiscal year), as Governing Board members will recall, budget reductions totaling \$7,846,333 were made to implement budget cuts imposed by the legislature that year. And in the year preceding last, 2008-2009, the district lost \$4,314,921 to legislative budget cuts and saw the legislature take the district's cash reserves – funds on hand which would have normally been credited to our taxpayers in 2009-2010.

The cumulative effect of these recurring budget cuts, balance sweeps, and delayed funding payments have been to force programmatic cuts in our District. While the District fought to keep these cuts away from classrooms as long as possible, the cuts made this year ultimately forced reductions in teaching and other positions that have begun impacting our students.

While the basic economic realities of the state's budget cannot be denied, bizarre legislation (such as bills which would operate to allow taxpayers unlimited tax credits for contributions to private school tuition organizations) would seem to belie that any budget crisis exists at all.

Fundamentally, however, the greater concern may be the confusion, misunderstanding and lack of understanding that exists regarding the very real basis for the impacts we have experienced and will likely continue to experience in our classrooms.

This item is presented, therefore, to facilitate discussion with the Governing Board regarding the dire financial conditions which the District faces and how to better inform district constituents about those conditions.

Dr. Balentine stated that at the Board's request, this item has been added to the agenda in order to communicate with, and provide an opportunity to brainstorm and discuss possible strategies about raising the public's awareness of the dire state of public school education; and, projections for further budget cuts. She noted that the challenge is to find the balance between informing the community, while not creating chaos. She summarized the various methods that have been implemented in advancing these realities through: district-level and school-level efforts involving principals, parent teacher groups (like PTOs and PTAs), site councils, and leadership teams; other Community-level leadership groups; Budget Communiqués from the Superintendent; Staff-hosted “School Finance Universities” at various District sites; Superintendent's participation in Arizona Business and Education Coalition (ABEC); and, the posting of related PowerPoint and other presentations on the District's website.

Mr. Jaeger was invited to provide an overview of the Board packet information (above). He noted that it is important to involve the community in order to rectify the mis-conceptions that are currently circulating about these budget issues. He cited specific examples: the total extent of the District's reality about budget cuts for this year is not a "minor" reduction of 2%, but almost \$11 million; legislative actions both enacted and proposed; the levels of commitment assumed by the District to absorb previous cuts and the ramifications that may become necessary with further cuts; and, the stark news and the associated implications related to additional budget cuts' announcements from the legislature for the current school year and those anticipated in the next school year or two. It is of grave concern when considering the possible ramifications and the longer-reaching implications related to the District's capacity to provide services and programs; these consequences will affect students, staff, and community.

Dr. Balentine responded to an inquiry by Dr. Barrabee about the School Finance University program, explaining that it is a two-part session focused on educating the community about the public school funding/finance process. As an example: the District is not funded based upon student enrollment but based upon the average daily attendance/membership of enrollment; e.g. with an enrollment of 15,000 students, daily membership is approximately 1,000 less; so the 'reality of cost' is that the District is staffing based upon enrollment but funding through actual membership or attendance.]

Dr. Balentine added that legislators are considering taxation-structure alternatives; so as to become less susceptible to times of economic down-turns.

Mrs. Boros commented on an exercise she embarked on regarding funding-dollars-per-student between public and private schools. She surveyed several local Tucson private schools and determined that private schools fund close to \$12,500 per student whereas public schools fund at approximately \$7,000 per student. She noted that this difference does not support the rhetoric that private schools do a better job of educating students (with the same funding dollars). She suggests informing the public about funding realities through a business perspective; we have to address the delivery package. She also recommends showing the "total picture" of costs per student, not simply the teacher-related costs (classroom) so that the public understands the full scope.

Dr. Balentine added that the most recent dollars to the classroom data will be reviewed at the upcoming April Board meeting. The reality is that the District receives approximately \$5,000. per student classroom dollars. Another area of controversy is related to tax credits and the disparity between public and private school sectors.

Dr. Barrabee recommends continued focus in the direction of rectifying the popular mis-understandings; as discussed earlier about 2% cost reductions versus actual dollars. He also supports clarification about tax credit issues.

Mr. Grant noted that the timing of these budget-cut announcements influences the strategy opportunities available to the District. Additionally, he recommends that presentations are shorter in length, harder-hitting, and limited to a few, key positions and directed towards community/service organizations such as: Rotary and Lions clubs, and members who have positions of authority within the community.

Dr. Barrabee noted the impact of special education programs; these are very expensive programs, mandated and funded by state and federal dollars. Unlike private schools, public schools are obligated to provide these services and they must be paid somehow. He stated that these programs are very poorly compensated. He cited that 77% of the special education students are in a category of compensation for which the state only compensates the District an extra \$9.93 per student, per year to support the costs of these programs and that public schools are obligated to provide.

Dr. Loomis inquired about the proposed approach to be used with legislators. Dr. Balentine stated that her interactions with Representative Crandall and Superintendent Huppenthal have been constructive;

however, in the recent past, these kinds of dialogues and associations with the District's local representatives have not proven themselves to be as successful as hoped.

Dr. Barrabee believes that many legislators favor private education and cited an example relating to comments made by Senator Melvin about Student Tuition Organizations (STO's); whereby he supports extensions to the deadline to April 15th but not so for public school systems. Mr. Grant added that one of the proposed legislative items submitted earlier this year would have given STO's unlimited tax credits. [<http://www.azdor.gov/LinkClick.aspx?fileticket=CKcT5ZKMobY%3d&tabid=136>]

Dr. Barrabee added that in response to those who assert the position that budget cuts are necessary because of the deficit; another option is to raise taxes. He feels that legislators should honor their oaths of office – to follow the state constitution regarding the maintenance of state educational institutions as stated in Article 11, Section 10 [<http://www.azleg.gov/FormatDocument.asp?inDoc=const/11/10.htm>].

Mr. Grant suggests forwarding additional comments or suggestions to Dr. Balentine for consideration prior to the next regularly scheduled Governing Board Meeting, April 12, 2011.

3. **CONSENT AGENDA**³

Mr. Grant asked if there were Board member requests to have any items addressed separately; Dr. Barrabee did so for Item I. (See detail for Item I below.) A motion was made by Dr. Loomis to approve consent agenda Items A-H and J-O, as presented. The motion was seconded by Mrs. Boros and passed unanimously, 5-0. Appointment of personnel is effective, provided all district, state, and federal requirements are met.

A. Approval of Minutes of Previous Meeting

The minutes of the February 22, 2011 Special Governing Board and Executive Session meetings were approved.

B. Appointment of Personnel

Certified and classified personnel were appointed, as listed in Exhibit 1.

C. Personnel Changes

Certified and classified personnel changes were approved, as listed in Exhibit 2.

D. Leave(s) of Absence

Leave of absence requests were approved for certified and classified personnel, as listed in Exhibit 3.

E. Separation(s) and Termination(s)

Certified and classified personnel separations were approved, as listed in Exhibit 4.

F. Approval of Vouchers Totaling and Not Exceeding Approximately \$3,408,263.78 (Final Total)

The following vouchers were approved as presented and payment authorized:

Vo. 187	\$ 222,887.35	Vo. 188	\$ 20,616.57	Vo. 189	\$
697,447.88					
Vo. 190	\$ 329,066.18	Vo. 191	\$2,138,245.80		

G. Receipt of January 2011 Report on School Auxiliary and Club Balances

Board Book information: *Arizona Revised Statutes §15-1121 and 15-1125 provide for the operation of Student Activity and Auxiliary Operations funds, respectively. The Uniform System of Financial Records for Arizona School Districts (USFR) outlines procedures to be followed by school districts in the disbursements of monies from either of these funds. One requirement for the operational compliance is to provide a report to the Governing Board summarizing the transactions for the month.*

The Governing Board received the Monthly Report on School Auxiliary and Club Balances for month-end January 2011, as submitted (Exhibit 5 pp. 1-8).

H. Approval of Out of State Travel

Out of state travel was requested for students and staff (source of funding indicated): from Canyon del Oro High School to take 9 students from Academic Decathlon to the Academic Decathlon National Finals in Charlotte, North Carolina, April 24-May 1, 2011 (student activity funds and tax credit donations); the Governing Board approved the request for a changes to: travel/conference dates, chaperones, and costs as previously approved at the October 26, 2010 Board meeting from Wilson K-8 School to take 85 students to the National Choral and Band Festival in Anaheim, California. The dates are now: March 10-13, 2011 and revised costs are approximately \$31,182.

Out of state travel was approved for staff (source of funding indicated): from Canyon del Oro High School to attend the San Diego State University Coaching Clinic in San Diego, California, March 10-12, 2011 (student activity funds designated for staff development); the Governing Board approved the request for a change to: travel/conference dates and costs as previously approved at the December 7, 2010 Board meeting for staff to attend the International Baccalaureate Training in Houston, Texas. The dates are now February 26-March 1, 2011 and revised costs are approximately \$2,262.

I. Approval of New Courses

Board Book information: *The Governing Board recently approved an updated Master Course list of classes offered to students. The administration is requesting four additional courses to the Master Course list.*

Mr. Nelson responded to an inquiry by Dr. Barrabee about the selection of these languages; the review process for the world languages program has been on-going for the past eighteen (18) months. The goal is to remain competitive with surrounding districts; and; in response to the District's growing International Baccalaureate (IB) program. The initial placement of courses will be at Canyon del Oro (CDO) High School. Feedback about student interest is favorable.

A motion was made by Dr. Barrabee to approve the following courses to begin with the 2011-2012 school year: Mandarin Chinese I and II, Russian I and II. The motion was seconded by Mrs. Boros and it passed, unanimously, 5-0.

J. Approval of Grant(s)

The Governing Board approved the following grant: *Every Voice in Action Foundation Grant* in the amount of \$900.00 to Crystal McCue on behalf of Walker Elementary School for the implementation of the 2nd grade *Garden Project*.

K. Approval of Proposed Revisions to Policy DJE Regarding Bidding/Purchasing Procedures

Board Book information: *On February 8, 2011, Governing Board Policy DJE Regarding Bidding/Purchasing Procedures was presented for revision to reflect the new statutory increase in the sealed bid threshold from approximately \$32,000 to a flat rate of \$50,000.*

The legislature recently passed HB2725 regarding additional procurements that do not require bidding by school districts. Revisions to the attached Policy and its accompanying Regulation reflect that new language.

Changes in state statute made recently by the Legislature clarify that certain procurements are not subject to normal procurement procedures, namely, placement of special education students in a program required by the student's IEP. In addition, although the exemption of intergovernmental agreements and contracts between school districts as well as between school districts and other governing bodies is already provided in regulation DJE-R, it is recommended that the exemptions also be acknowledged in Board policy. Also, the authority given for school districts to engage in online bidding by A.R.S. 41-2671 through 2673 is added to the document model to formalize that the Governing Board sanctions that authority.

The Governing Board approved the Proposed Revisions to Policy DJE Regarding Bidding/Purchasing Procedures, as submitted, and to become effective on July 1, 2011.

L. Award of Contract Online Employee Benefits Enrollment System Based on Responses to Request for Proposal (RFP) 10-0012

Board Book information: *Request for Proposal (RFP) 10-0012 was mailed to vendors providing insurance services registered with the Purchasing Department. The Scope of Work requested a no-cost or minimum-cost online employee benefits enrollment system to provide 24/7 access for open enrollment, new hires, newly eligible employees, etc. The system should support enrollment in the District's medical, dental, vision, pet insurance, short-term disability, life insurance and flexible spending accounts. The vendor in return may offer District Employees voluntary insurance products such as long term elder care, cancer insurance, term life insurance, etc. Five (5) vendors responded; one (1) vendor failed to provide a no-cost or minimum-cost solution and was not considered for award. The two highest-scoring vendors, First Financial Group of America and Aflac provided a webinar detailing their online employee benefits enrollment system and a best & final offer. [Board Book holders were provided with vendor evaluation detail.]*

The Governing Board approved the award of contract for the online employee benefits enrollment system to *First Financial Group of America* based upon responses to RFP 10-0012.

M. Approval to Execute a Contract with EnerNOC, Inc. for Participation in the Tucson Electric Power DemandSMART Energy Reduction Program

Board Book information: *Tucson Electric Power (TEP) has implemented a program for commercial and industrial facilities to voluntarily reduce their electrical energy consumption during periods of peak demand or high wholesale electricity prices to ensure reliable and affordable electrical service for all TEP customers. The Arizona Corporation Commission on July 12, 2010 approved EnerNOC, Inc. to implement the DemandSMART program based on their response to a competitive solicitation. During periods of rare peak demand or emergency events, EnerNOC will contact the District and request electrical usage be curtailed at specific sites. Events are limited to 4 hours duration, and 80 hours annually. Peak demands generally occur during the summer months after 2:00 p.m., a time when schools are reducing power due to the close of the school day. Emergency events occur less frequently, such as the recent cold snap of subfreezing weather. EnerNOC will provide the District at no charge energy management software to allow near real-time visibility into electrical usage down to the meter level at each facility. The District will receive quarterly payments regardless of the number of events called, annualized at \$19.50/kW curtailed. Energy payments in the amount of \$0.25/kWh reduction will be made for each event called for an estimated total annual return to the District of \$29,400.00. There is no cost to the District to participate in this program, nor any penalties should the District be unable to curtail power during an event. Power reduction if requested, is at the District's discretion.*

The Governing Board approved execution of a contract with *EnerNOC, Inc.* for participation in the Tucson Electric Power (TEP) DemandSMART Energy Reduction Program, as submitted (Exhibit 7, pp. 1-8).

N. Approval of Bond-Related Projects

1. Approval of a Guaranteed Maximum Price (GMP) for Lulu Walker Elementary:

The Governing Board approved the Guaranteed Maximum Price (GMP) presented by *CORE Construction* totaling \$3,582,303.00 for the following projects: New classrooms to replace aging portables; Modernization and additional restrooms to ensure ADA and code compliance; Reconfiguration and updating of kitchen and equipment; and, Campus security fencing. [Board Book holders were provided with bid detail.]

O. Approval of Bond-Related Projects

2. Award of Contract for Rillito Center Cabling Based Upon Responses to Request for Bid (RFB) 10-0011

Board Book information: *Request for Bid (RFB) 10-0011 for Rillito Center ITS (Information Technology Systems) Cabling was posted to the Purchasing Department Web site. Contractors registered with the*

District were notified via email that bid plans and specification were available at the Print Room. A site visit was attended by seven contractors; 3 contractors responded with priced bids. [Board Book holders were provided with bid detail.]

The Governing Board approved the award of contract for ITS cabling at Rillito Center to *COMLINK Southwest, LLC* based upon responses to RFB 10-0011.

Note: Mr. Grant announced a short recess to due to the lateness of the hour and the time necessary to accommodate the remaining agenda items; the time was 9:15 p.m.

Mr. Grant reconvened the meeting at 9:22 p.m.

4. STUDY/ACTION

A. Review of District Calendar for School Year 2012-2013

Board Book information: *The District's school year calendar must meet specific requirements under Arizona law for the number of instructional days; state law mandates that public schools must have a minimum of "180 instructional days." Since the 180 day requirement went into effect, however, Arizona law has also provided permission for districts to meet the 180 day standard through an equivalent number of instructional minutes over fewer days. For several years, the Amphitheater District has utilized the equivalent instructional minutes option, resulting in slightly shorter school years of 178 school days.*

The attached draft calendar for the fiscal year 2012-2013 again reflects a calendar of 178 days. Current budget discussions at the state capitol suggest the number of school days could vary, however. One of the budget reduction options under consideration by the legislature is a five-day reduction in mandatory school days (180 to 175). This could, of course, impact the calendar for next school year (2011-2012) as well as, the calendar currently under study (2012-2013). Thus, future revision of these calendars may be required.

Because the District's calendar does not have "extra" school days built into it, any emergency closure of schools due to weather or other factors must be addressed by ensuring the requisite instructional minute requirements are still met. The District and the Amphitheater Education Association (on behalf of District employees) have agreed that if any schools are closed as a result of any emergency, certificated staff at those schools will have an equivalent number of student reporting days added to their work calendar without additional compensation -- generally by turning the planning days at the end of each semester into student reporting days. As long as the state permits the district to use equivalent instructional minutes rather than 180 days, the district's school calendars will be constructed in this same manner.

Dr. Balentine stated that this item is presented as a Study item with plans to present it again at the next meeting for approval. This calendar is effectively the same as the model used for the District's recent school calendars including the 2011-2012. Staff strives to consistently have two years of the District's school year calendar information available to its parents. Staff has reviewed the proposed calendar with the AmphiEA president, Mr. Fife, in order to continue the focus of receiving employee perspective.

Dr. Barrabee commended staff efforts to involve Mr. Fife at this stage of calendar development.

5. STUDY⁴

A. Study of Third Grade Retention Requirements of A.R.S. §15-701 Established in HB2732; Discussion of Necessary Revisions to District Policy IKE, Regulations, and Parental Communication

Board Book information: *HB2732 (49th Arizona Legislature, 2nd Regular Session) made some significant revisions in state law with respect to the promotion and retention of students.*

First, the bill revised A.R.S. §15-701 which includes a requirement for the State Board of Education (SBE) to review competency requirements for promotion of students from third grade and eighth grade. The law directs that the competency requirements to be established by the SBE for third grade promotion must incorporate, at a minimum, the adopted academic standards in reading, writing, math,

science and social studies. The statute also directs the SBE to distribute guidelines for school districts to follow in adopting criteria related to the promotion of elementary school students. The guidelines must include recommended procedures for taking into account students' cultural background in the application of promotion criteria.

But, arguably, the most significant provision of the new law is its mandate for retention of any third grade student whose AIMS reading score indicates the student is reading far below the third grade level. Previously, if a third grade student failed to meet the reading standards as measured by the Arizona Instrument to Measure Standards (AIMS) test, the student was to receive intensive reading instruction until the standards were met. The new, exacting requirement for retention at third grade follows a ten-year old statewide focus on reading competency initiated by the Arizona Department of Education (ADE) as "AZ READS".

Third Grade Promotion – SBE Competency Requirements & Supports

HB2732 requires the SBE to provide for universal screening of students in preschool and kindergarten programs and in grade one through three designed to identify students with reading deficiencies. As mentioned above, the new law also requires the SBE to adopt competency requirements for third grade promotion. These requirements are to be effective beginning school year 2013-1014. They must include:

- a. A prohibition on the promotion of any student whose AIMS reading score indicates the student is reading far below the third grade level;
- b. Notwithstanding the previous prohibition, a mechanism for governing boards to promote a student who is reading far below the third grade level but who meets a specified "good cause exemption;" and,
- c. Intervention and remedial strategies for students who are not promoted. The law directs the SBE to include the following in its development of intervention and remedial strategies for students who are not promoted:
 1. Requiring the student be assigned to a different teacher for reading instruction;
 2. Summer school reading instruction;
 3. Intensive reading instruction in the next academic year occurring before, during, after, (or any combination of the three) the regular school day; or
 4. Online reading instruction.

The bill also established a 9-member Task Force on Reading Assessment (and specifies its membership composition) to be appointed by the SBE. The bill directs the Task Force to:

- a. Examine the experiences and outcomes of other states who require reading tests to promote third grade students;
- b. Develop methodologies, models and other recommendations for an assessment to measure the reading abilities of students in grades one and two, with such assessment to rely upon the concepts of phonics, phonemic awareness, reading comprehension, fluency, and vocabulary;
- c. Develop recommendations integrating mid-year promotion;
- d. Develop recommendations on the use of student, teacher and school level data to improve promotion rates; and
- e. Submit findings and recommendations in a written report to the SBE, Governor, Speaker of the House, President of the Senate and the Secretary of State by February 15, 2011.

School District Requirements

HB27325 directs action by school district governing boards in a number of respects. First, it requires school districts to offer at least one of the intervention and remedial strategies developed by the SBE to students who are not promoted from third grade pursuant to the law. The law further allows the parent or guardian of the affected student, the teacher and the principal to choose the most appropriate intervention and remedial strategies for that student.

The law also directs school districts to communicate with parents regarding the legislative requirements. It requires school districts to provide annual written notification to parents of all students in kindergarten through third grade communicating the third grade promotion policy.

In addition, the law mandates separate written notification to the parents of students identified prior to the end of third grade who evidence substantial reading deficiencies. This separate notice must include the following:

- a. A description of reading services currently provided by the District;*
- b. A description of supplemental instructional services and supporting programs available in the District which are designed to remediate reading deficiencies;*
- c. Strategies for parents to assist their student in becoming proficient;*
- d. A statement which explains that the student will not be promoted from third grade if the student receives an AIMS reading score indicating the student is reading far below the third grade level unless the student is exempt from the retention policy or qualifies for a good cause exemption; and,*
- e. A description of the district or charter's policies on mid-year promotion.*

Good Cause Exceptions

HB2732 stipulates the following good cause exemptions from the third grade reading competency/promotion requirements:

- a. The student has a disability and did not take the AIMS;*
- b. The student has a disability and did take the AIMS but has been previously retained;*
- c. The student is an English Language Learner (ELL) or is Limited English Proficient (LEP) and received less than 2 years of English instruction;*
- d. The student has a reading deficiency and has been previously retained;*
- e. The student demonstrated reading proficiency on an SBE approved alternate assessment; or*
- f. The District governing board approves a parental request for exemption. The law sets out a process for such a request, which is initiated by the parent or guardian submitting a written request for an exemption within 30 days of receiving notification the student is being retained. The written request must include documentation demonstrating the student's promotion is appropriate based on academic record, individualized education plan (if any) and promotion recommendation letters from the student's teacher and principal. The district governing board must approve or reject the request for exemption within 30 days of receiving it.*

District Policy Implications

The new requirements detailed above necessitate revisions to Governing Board Policy IKE and its corresponding regulations in order to implement all the provisions. Accordingly, revisions have been prepared for Policy IKE and are attached for discussion purposes. These revisions refer to a new Regulation IKE-RB which is also therefore attached. IKE-RB, in short, directs compliance with all the requirements of HB2732. Notably, it directs (among other things) the annual communication by the District with parents to include all the elements set forth in statute. The annual communication will be developed centrally each year to ensure it accurately reflects the most current information available for parents. The communication will originate, however, from each school principal to facilitate parent-school communication on this very important matter.

Dr. Balentine noted that this study item is due to changes related to HB 2732. There is strong evidence correlating a student's ability to read by the third grade to a successful career in education. This is an opportunity for the Board to underscore the importance of Summer School for those students who are at-risk of low educational achievement to reach their full potential. Additionally, Dr. Balentine hopes to develop and strengthen the commitment and participation by parents in support of summer school in accomplishing these successes.

Mr. Jaeger was invited to provide an overview of the proposed changes to A.R.S. §15-701 indicated by HB2732 as related to the proposed revisions for District Policy IKE and supporting Regulations. He reviewed the Board packet materials. One of the key components at the 'state' level, is that a task force be created. He noted that at the local-level (school districts) requirements mandate that district students not be promoted out of third grade if they are not reading at a 3rd grade level. While all parents in grades K-3 will be advised of this requirement the law imposes this retention potential beginning with the 2010-2011 kindergarten cohort. Intervention strategies must be established for parents, teacher(s), and principal of the affected student. The law commands that districts effectively communicate with parents regarding AIMS competency requirements, support services available, etc. Proposed changes to the Regulation include emphasis on parental responsibility in assisting their student(s) in becoming

competent and promotable. The Board will need to develop “good cause” exceptions. The law necessitates immediate Board consideration and changes to existing policy to incorporate these changes. Policy IKE requires minimal change – the bulk of substantive changes appear in a new regulation, IKE-EB.

Mr. Jaeger stated that this item is submitted as a draft for study and schedule a presentation for review and approval at the next regular governing board meeting.

Dr. Barrabee stated that he recommends establishing a similar practice and verbiage as what is currently in existence within the Promotion and Retention of elementary school students. Additionally, he expressed concern about the cost factor related to the administration and implementation and staffing necessary to provide what’s needed in addition to the existing expectations and stresses on staff.

Dr. Balentine is hopeful that this may provide an opportunity for required participation in many of the programs already provided, such as summer school.

Pursuant to an inquiry made by Mr. Grant about “good cause exception,” Mr. Jaeger indicated that he would review the statute for further clarification.

Mr. Grant suggests forwarding additional comments or suggestions to Dr. Balentine for consideration prior to the next special Governing Board Meeting, March 29, 2011.

B. Periodic Legislative Review

Board Book information: *This Item is presented to permit the Governing Board to review and discuss the status of education-related legislation which has been proposed in the first session of the 50th Arizona legislature this year.*

Budget

Since the Governing Board’s last legislative review, the Joint Legislative Budget Committee (JLBC) presented the Department of Education budget to the Senate and House Appropriations Committees. Key points in the budget presentation include the following:

- *Total appropriated funds for FY 2012 is \$3.7 billion; total resources are estimated at \$9.8 billion (including state, federal and local funds)*
- *JLBC baseline budget includes \$148 million in formula changes and federal funds backfill; compared to \$127 million in the Governor’s budget*

\$108 million 1.9% enrollment growth

\$4 million .9% inflation

\$50 million base adjustment for one-time prior year shortfall

\$36 million reduction due to 2.3% new property growth

\$71 million reduction due to no homeowner’s rebate for discretionary K-12 taxes

\$93 million for Federal Funds backfill

- *Baseline assumes 14,900 more students for FY 2012*
- *Baseline assumes \$252 million in CORL and \$222 million in additional assistance for FY 12 – which is an average reduction of \$62 per ADM*
- *Executive Budget contains a reduction in funding for K-12 Online Programs for an estimated savings of \$12 million; career ladder phase-out and fund transfers*

Cave Creek Unified School District, et. al. v. Arizona Update

A group of school districts and the Arizona Education Association filed a second lawsuit challenging the legislature’s interpretation of the state’s school funding law, Proposition 301. Proposition 301 requires the state to adjust funding for public schools upward each year by either 2% or the rate of

inflation, whichever is lower. As was the case last year, the current budget proposal does not include an increase to the base student funding amount; instead, it only adjusts transportation costs.

The Proposal 301 phrase in question directs the Arizona Legislature to "increase the base level or other components of the revenue control limit." Until last year, lawmakers had increased both the base student level and transportation.

The Court is being asked whether the Legislature violated the Voter Protection Act of the Arizona Constitution by not appropriating for inflation in the manner required by law. The Legislature believes it has the OPTION of either funding the base level or transportation. The plaintiff school districts believe both are required. Approximately \$60 million in funding for schools is at stake. The State has filed a Motion to Dismiss the case that is being considered in the Maricopa County Superior Court.

Mr. Jaeger highlighted three of the proposed education-related House and Senate bills summarized and provided to Board book holders (HB2002, HB2710, SB1263). [The complete packet of current legislative items can be found on the Amphi website at:

<https://v3.boardbook.org/Public/PublicItemDownload.aspx?ik=31037037>]

6. INFORMATION²

C. Review of Federal Relations Network (FRN) Conference Attendance – Dr. Kent Barrabee

Board Book information: *Dr. Barrabee was invited to serve as the Federal Relations Network (FRN) delegate by the Board of Directors from the Arizona School Boards Association (ASBA). In February, serving in this capacity as Delegate, Dr. Barrabee again attended the annual FRN Conference sponsored by the National School Boards Association (NSBA) in Washington, D.C.*

The conference is an annual meeting that offers school board members information and resources about public education advocacy, including the opportunity for introductions to senators and representatives serving on Capitol Hill.

Dr. Barrabee reported on his attendance to the FRN Conference. Mr. Arne Duncan, U.S. Secretary of Education again addressed the membership – expressing continued support of the Race to the Top competitive grant program. Dr. Barrabee noted that the tone was somewhat different at this year's conference; many of the representatives were openly critical and challenging the current Race to the Top process noting concerns such as: the (high) costs associated in the application process. Additionally, it was recommended that the application process be made available to all districts, large and small; to some it appeared that smaller districts were at a disadvantage especially now at a time when all districts would benefit from support because of state-level funding cuts.

Mr. Grant thanked Dr. Barrabee for continued representation of the District and its constituents.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

There were no Board Member requests.

PUBLIC COMMENT¹

There were no public comments.

ADJOURNMENT

A motion was made by Dr. Loomis seconded by Mrs. Boros and passed unanimously, that the meeting be adjourned. Mr. Grant declared the meeting adjourned at 10:02 p.m.

Respectfully submitted,
Margaret Harris

Amphitheater Regular Governing Board Meeting Minutes
March 8, 2011

Mr. Jeff Grant, President

Date

Approved: TBD