

**Advisory Committee of MUHSD & COCSB**  
**1801 East Fir, Cottonwood, AZ 86326**

**ADVISORY COMMITTEE**  
**MINUTES OF MEETING**

Mingus Union High School Library  
Tuesday, February 20, 2018 4:00 PM

**Members of the Committee**

Dan Mabery – Committee Chairman  
Claudia Abey           JoAnn Cook  
DeAnna DeWitt        Jason Finger  
Anita Glazar           David Gray  
James Ledbetter       Stephen Renard  
Kelli Rhoda           Micah Swenson  
Philip Terbell         Mike Westcott  
Sonny Zale

**I. OPENING**

Mr. Mabery called the meeting to order at 4:01 PM.

**II. Public Comments**

*(members of the Advisory Committee shall not discuss matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action)*

**III. INFORMATION AND DISCUSSION ITEMS**

**III. 1. Approval of Meeting Minutes Not Previously Approved**

David Gray made a motion to approve the minutes not previously approved. DeAnna DeWitt seconded the motion. The motion passed (13-0).

1/25/2018 Advisory Committee Meeting Minutes - Previously Distributed

2/7/2018 Advisory Committee Meeting Minutes - Attached as Supporting Documentation

**III. 2. Unified Organizational Structure and Other Financial Considerations**

David Snyder and Lynn Leonard prepared a presentation to address a proposed unified organizational structure and financial considerations. The purpose of the presentation was to:

- Create an organizational chart of a Unified District
- Identify the positions that would be eliminated or added with unification
- Assign reasonable costs/savings
- Investigate the potential legal costs of unification
- Analyze any impact of tuition costs for Clarkdale students attending high school
- Analyze any impact on property tax rates due to unification

The Business Managers collaborated to create the presentation with a consensus.

It was requested that the Committee not ask questions during the presentation. The Business Manager's shared their methodology and sources of information

**Department Organization: Superintendent's Office**

In a unified district one superintendent positions and one executive assistant position would be eliminated.

Unified Superintendent Salary-\$125,000

Unified Executive Assistant Salary-\$41,500

*Potential Savings-\$130,430*

**Department Organization: Site Level Administration**

It was agreed on to add an Assistant Principal at the high school level.

*Estimated Cost - \$70,000*

**Department Organization: Business Office**

In the unified district model a duplicate Business Manager and Purchasing positions would be eliminated and a duplicate Payroll position would be moved from 1 FTE to .5 FTE.

*Potential Savings - \$117,603.00*

**Department Organization: Special Education**

In the unified district model the SPED Director would be a full time position, we used an average salary of \$81,000.

The need would remain for Psychology services and administrative support for the SPED students at the high school, so no positions would be eliminated.

All other Therapists, Teachers, Classroom Aides and SPED Support staff would remain the same.

*Estimated Cost - \$12,230*

**Department Organization; curriculum/Instruction Administration**

The unified district it was agreed that it would be necessary for a least one person to act as a curriculum administrator.

*Estimated Cost - \$22,000*

**Department Organization: Human Resources**

In the analysis of the needs of a unified district it was agreed that to effectively address compliance requirements it would be necessary to staff with a HR manager and a full time Technician.

*Estimated Cost - \$30,735*

**Department Organization: Technology**

In our discussions about a unified IT department it was agreed that at least initially no positions could realistically be eliminated due to the work involved in combining two networks into one. It was agreed however that the personnel in this department would probably be reduced over time through attrition once the single network was in place.

*No Savings or Additional Cost*

**Department Organization: Transportation**

In our discussions it was agreed that the unified district would require a Director and the same number of mechanics. Both District have a Transportation Secretary, of which one could be eliminated, but it was agreed that an additional FTE, possibly a Transportation Routing or Dispatcher position would be needed.

The net would be a cost increase of \$9,080, representing a salary increase for the Director for the increased responsibilities, and the difference between the salary of a secretary and the dispatcher position.

No analysis was done on combining bus routes, but if that could be done efficiently there would be benefits from sharing the limited pool of bus drivers in the community.

*Estimated Costs - \$9,080*

**Department Organization: Support Services (Food Services)**

The only other position identified as a possible duplicate was the District representative for the National School Lunch Program. At COCSD this is a full time position. At Mingus the F/S Manager performs the duties. \$10,000 was recognized in savings from the elimination of duplicate duties.

With the number of free and reduced students we are currently serving, a well-managed Food Service Department should be able to return \$100,000 to the unified district. Cottonwood owns all food service equipment and would not have any additional costs from eliminating contract services with Sodexo.

*Potential Savings - \$10,000 plus \$100,000 returned to the District*

**Department Organization: Facilities and Maintenance**

A spreadsheet was generated with projected numbers. Due to the complexity of the two uniquely different structures. Ultimately there would be a savings of \$108,649. The savings represented are not from consolidation, but from the elimination of Sodexo as a contractor and managing the operations for all the school sites from a central location with a Maintenance Director.

*Potential Savings - \$108,649.00*

**Tuition from Clarkdale-Jerome ESD**

If Clarkdale does not consolidate or create their own High School District, they will become a “Common School District NOT within a High School District (Type 03)”. As a Type 03 District, Clarkdale would be required to pay tuition to the Consolidated District for all high school students attending Mingus.

Arizona Revised Statute 15-824 determines how tuition is calculated. For the purpose of this study, we used the current year enrollment of 149 students.

Based on 149 students, tuition charges to Clarkdale would be \$1,020,605.

The amount is a pass through to the taxpayers in Clarkdale. Mingus is required to provide an estimate by May 1st so the paying district can increase budget capacity by the same amount.

**Clarkdale-Jerome ESD Division of Assets**

Arizona Revised Statute 15-458 (D) “The governing boards of the original school district and the new school district or districts shall set aside sufficient assets or provide other means to satisfy the liabilities of the former existing district except for bonded indebtedness and approve the final division of all assets by September 15 of the year in which the new school district or districts become operative.

As stated in a recent e-mail by Superintendent Tim Carter:

“The County Superintendent would work with the new “Consolidated / Unified Board” and the Clarkdale-Jerome Board, .....to determine the amount of assets to be transferred. The negotiation would be in how that “amount” would be transferred. *It might be cash, or capital items (buses, computers, etc.) or a combination thereof.*”

*Division of assets for CJESD – Amount undetermined*

**Tax Implications/Bonding Capacity**

Through State Equalization the elimination of the assessed value of the Clarkdale District would have a minimum effect on the property taxes of the unified district.

By not including CJESD in the unified district the loss of Bonding capacity would be about \$5,000,000

Total Capacity of the Unified District would be \$43,000,000

FY17 Bond Debt Outstanding: COCSD \$13,540,000; Mingus \$13,875,000

**Current Common Systems:**

- Visions Accounting System
- Schoolmaster Student Data System
- AESOP
- The Trust Liability Insurance

**Other Financial Consideration:**

*Transportation Support Level (TSL) funding*-A unified district would not be able to use prior year Transportation Revenue Control Limit (TRCL) (if prior year is higher a district is able to use that amount). Loss of \$170,000 with current Route Miles/Eligible Students-Transportation Revenue Control Limit. This information was provided by Darrel Hugli, School Finance Budget Analyst and Lyle Friesen, Associate Superintendent of School Finance, ADE

*Teacher Experience Index*-Mingus does not receive any additional funding for Teacher Experience. For the FY19 budget COCSD anticipates a reduction of approximately \$100,000. The unified district TEI would probably not exceed the State average so there would not be

any additional budget capacity from the TEI for FY20. An actual cost calculation would have to be determined at the time of unification using the most current TEI.

*Health Insurance* – Health Insurance-Currently the Districts use different providers for health insurance. The rapid changes in coverage and available plans make it difficult to identify and savings or additional costs. For FY18 Mingus pays \$6,536.00 per employee and COCSD pays \$7,368.00.

*Consolidation Assistance* A.R.S. 15-912 “the amount of any transitional costs that are directly associated with routine formalities that are necessary as a result of consolidation such as changing of signs, letterhead, stationary and similar issues.”

*Revenues* – Along with the Food Service operation, there are several other sources of sustainable revenue the unified district could use to offset Maintenance and Operation costs. Those include the rental of district buildings and facilities, Medicaid funding, and Indirect Costs.

**Equalization of Salaries:**

- Estimate to equalize salaries all at once, as provided by Dr. Keegan, is from \$600,000 to \$700,000
- It should be noted that these are not one time funds. This would be a permanent annual budgetary expense.
- No calculation has been made to determine the cost of equalizing classified salaries.
- Salary equalization –Decisions to be made by the Board, not addressed in this presentation
- By statute, salaries and benefits cannot be reduced due to unification in the first year
- Classroom Site Fund-Mingus is funded at \$489 per student, COCSD at \$447 per student.
- Prop 301 up for reauthorization 2020

**In conclusion:**

- Estimated savings by from Organizational Chart \$157,785 Annual Savings
- Potential Reduction of Maintenance costs \$108,649 Annual Savings
- Food Service Revenue/Other Revenues \$100,000+ Annual Revenue
- Potential Loss of Transportation RCL (\$170,000) Annual Loss
- Capital Assets split with CJESD (\$???????)10-15 Year Impact
- Estimate to equalize Teacher Salaries (\$650,000) Annual Cost
- Equalization of Classified Salaries (\$???????) Annual Cost
- Legal Fees (\$???????) One Time Cost
- Infrastructure change to merge Districts (\$???????) One Time Cost

Jim Ledbetter wanted to know why Casa Grande was used as a comparison because they are flawed according to him. Mr. Snyder stated that it was used due to size and not districting. Jason Finger want to know about the admin cost on the spreadsheet and is curious to note what positions were included in that analysis. Mr. Snyder stated that they were looking at the superintendent’s office, the principal office and the business office.

Jim Ledbetter wanted to know if there had been any look at the classified wage schedules.

Sonny Zale asked if the elimination of Sodexo would realize a much larger savings. Mr. Snyder said that it was possible. Jason finger wanted to know if the district had seen more or less amount in monies returned to the district prior to Sodexo. Mr. Snyder stated there was less savings. There were some discussion regarding the differences in the two Sodexo contracts. The Food Service contract generates revenue. The Maintenance contract is an expense.

Jason Finger asked what Mingus return is for food service. Last year there was a loss of about \$4,000 and the year before there was a gain of \$3,600. There have been some recent

programs implemented that will increase the revenue quickly. Mr. Ledbetter stated in years when there have not been any equipment purchases there has been a revenue of \$40,000. Mr. Terbell asked about the number of positions that were listed on the chart because he felt that it was not reflective of the actual numbers. The business managers reiterated that the presentation was focused on administration and not a one to one analysis of all positions.

Stephen Renard wanted to know more information about the facilities savings regardless of the continuation of the Sodexo contract. The elimination to the Sodexo contract would be a savings that would be realized not due to the consolidation.

Mike Westcott wanted to know the number of classified positions at each district but that information was not available.

Dan asked about the tuition information. It is based on the amount of students and there is a formula in the statute. There is some negotiation for due diligence with the calculations.

Mr. Mabery reiterated that if there were any additional questions to be emailed to the business managers and Mr. Mabery was to be carbon copied on all emails and replies.

### III. 3. **Keegan Reports**

Mr. Mabery stated that members of MUHSD and Pro Committee have both spoke with Dr. Keegan. He suggested that we include Dr. Keegan at the next meeting via skype.

Mike Westcott stated that he felt that the business managers have come up with much more valuable data.

Jason Finger felt that there are more questions to be determined. He wanted to get Dr. Keegan's take on the report. It needed to be recognized that he needs to be paid and the board need to pay him. Jason Finger wanted to get a number of hours that it would take. But not an open ended amount. Mr. Mabery asked if the two boards could make those arrangements. Mr. Gray wanted clarification as to what we were going to ask. Mr. Terbell felt that there would be value in having Dr. Keegan review the information. It was agreed that both Governing Boards would add agenda items to the next meeting to approve a \$1,000 cap for each District in order to compensate Dr. Keegan. Mr. Mabery will front the cost for Dr. Keegan. Mr. Mabery agreed to make the arrangements with Dr. Keegan.

### III. 4. **State Funding Request**

The Committee will discussed making a request to the state legislature to offset the costs associated with consolidation.

### III. 5. **Out of District Tuition**

This was addressed in the Business Manager's report and there were no further questions. The Committee will discussed information regarding the calculation of tuition for out-of-district students specific to Clarkdale-Jerome students.

## IV. **ADJOURNMENT**

There was some discussion regarding an agenda item that would revolve around the presentation from the Business Managers.

Mr. Mabery adjourned the meeting at 5:18 PM

---

Dan Mabery  
Committee Chair