



REGION 18 EDUCATION SERVICE CENTER

2811 La Force Boulevard, Midland, TX 79706

Notice: Of a Regular Meeting of the Board of Directors Thursday, February 9, 2023 at 11:30 AM, in the Conference Rooms A and B, Region 18 Education Service Center, 2811 La Force Boulevard, Midland, TX 79706. The Board may retire to executive session at any time between the meeting's opening and adjournment for purposes of deliberating business as authorized in Texas Government Code, Title 5, Subchapter D, Sections 551.071-551.074 and 551.076. Action, if any, will be taken in open session. (Texas Government Code Chapter 551.102)

AGENDA

1. Call to Order
2. Invocation
3. Roll Call
4. Audience

5. Information Items

- a) Financial Statement

The Financial Report is shown in three sections. The first is the Financial Statement, which shows the budget to actual variances for both revenues and expenditures. The Statement of Position uses projected revenues and expenditures to estimate a fund balance at fiscal year-end, August 31, 2023. The third page is an investment report, which reflects investment balances, interest earned and shows a comparison of our interest rates to market trends.

- b) Report on 2022 Client Satisfaction Survey

Each year, all Superintendents in Texas are surveyed on their satisfaction with services from the Regional Education Service Centers. The survey summary is attached for review.

- c) Report on Region 18 ESC Board of Directors Charter School Representative

Per TEC §53.1002, a charter school member of an ESC board of directors is appointed for a one-year term which may be extended for up to three years by the Commissioner of Education. Mr. Carter James, current Region 18 charter school member serving his second year, is eligible for reappointment.

6. Director Reports

- a) Dr. Dewitt Smith - Executive Director/Chief Executive Officer

- b) Britt Hayes - Chief Financial Officer

- 1) Joann Taylor - Chief TxCEE Officer

- c) Linda Jolly - Deputy Director of School Improvement and Federal Programs

- 1) Dr. Autumn Sloan - Chief School Improvement & Accountability Officer

- 2) Jill Rivera - Chief Instructional & Federal Programs Officer

- 3) Chris Enriquez - Director of Instructional Technology & Analytics

- d) Ronnie Golson - Deputy Director of Leadership & Superintendent Support

- 1) Casey Ritchie - Chief Technology Officer

7. Action Items

- a) Consider Approval of Minutes for December 8, 2022 Board Meeting

The December 8, 2022 Board of Directors Meeting minutes are attached for review and approval.

- b) Consider Approval of Budget Amendment #3

The Texas Education Agency requires the Service Center to adopt a General Fund budget by function code. Amendments to the adopted budget between functions must be reflected in the official minutes. The following summary includes amendments for the 2022-2023 budget year. Please note that Transfers only move appropriations within the approved budget. In other words, they do not increase the total amount budgeted for the given fiscal year. Amounts in the Amendments section are in addition to the total amount approved in the initial budget and may impact fund balance.

c) Consider Approval of Revisions to CBF(LOCAL) Revenue Sources Investments Policy

Deliberation and possible action to modify Board policy CBF(LOCAL) to authorize certain Region 18 ESC employee(s) to serve as investment officer(s) of the ESC.

d) Consider Adoption of Resolution and Approval of Annual Investment Policy and Strategy Review CBF(LOCAL)

According to chapter 2256.005(f) in the Texas Government Code, Region 18 ESC must review its investment policy and investment strategies not less than annually.

Management believes that cash in excess of what is needed for daily operations should be invested in ways that first prioritize the protection of principal and liquidity, then maximize the yield. Region 18 ESC invests excess funds in the Texas Class Investment Pool. Our ESC policy allows Pools to invest in things such as:

- Obligations of the United States Government or its agencies and instrumentalities.
- Fully collateralized repurchase agreements and reverse repurchase agreements, secured by any obligation of the United States, its agencies or its instrumentalities.
- No-load money market mutual funds regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized statistical rating organization (NRSRO).
- Certificates of deposit issued by national or state banks or credit unions, including savings banks, provided that such bank or credit union is domiciled in Texas. The certificates of deposit must be guaranteed or insured by the Federal Deposit Insurance Company or the National Credit Union Share Insurance Fund. In addition, the certificates of deposit must be secured by obligations of the United States, its agencies or instrumentalities or as otherwise required by law.
- Commercial paper that matures in 270 days or less from the date of its issuance. The commercial paper must be rated at least A-1 or P-1 (or the equivalent thereof) by (1) two NRSROs or (2) one NRSRO and fully secured by an irrevocable letter of credit by a national or state bank.
- Guaranteed investment contracts from bond proceeds.

All investments must be made in accordance with the Public Funds Investment Act.

For reasons mentioned above, safeguards are in place and Pools are considered a safe investment. Pools provide a competitive rate of return while offering next day withdrawals. They provide an ability to initiate and monitor investment transactions and balances electronically. And lastly, the pools are required to disclose available market trends and the pool manager's investment decisions and activities to participants on a monthly basis. In our opinion, an investment pool is the most prudent avenue to invest excess funds when the pool's interest rates exceed that of the depository bank.

In addition to the investment pools, Region 18 ESC also had accounts with Prosperity Bank, our depository bank through 2022-2023. These accounts are used for daily operations. The bank has agreed to collateralize these accounts at 110% of our ledger balance.

Management feels our investments have met district objectives and meet all requirements of the Public Funds Investment Act. No changes to the CBF (legal) or to CBF (local) Investment Policies are recommended at this time.

Consideration: Interest Rates as of January 2023

- Prosperity Bank 0.35%
- Texas Class 4.62%

- TexPool 4.27%
- TexPool Prime 4.54%
- First Public 4.55%

e) Consider Approval of Resolution Authorizing the Creation and Implementation of a Special Account Fund(s) to Receive, Account For, and Expend Donated Funds
Deliberation and possible action to adopt a Board Resolution authorizing the ESC's administration to take any and all action necessary to carry out the creation and implementation of one or more special fund(s) to receive, account for, and expend donated funds for the purpose(s) set forth in adopted Resolution and to further carryout the desires of the Board as stated in Resolution.

f) Consider Approval of Bid for Restroom Maintenance

Consideration of approval and award of RFP R18-2022-10-000031 for maintenance of restrooms.

g) Consider Approval of Board Meeting Dates for 2023-2024

Attached are proposed Board meeting dates and times for 2023-2024 for consideration and approval.

h) Consider Approval of Region 18 ESC Calendar for 2023-2024

Attached is a proposed ESC18 calendar for 2023-2024. The number of days remains the same as previous years, with 235 working days and 26 holidays. The holidays include 11 days for Christmas/New Year's break, one week for spring break and two days for summer break. Employees may choose to work a "flex schedule" by working 8.5-hour days for nine days and having the tenth day, or every other Friday, as a flex day.

8. Executive Session

a) Personnel

b) Consultation with Region 18 ESC general counsel to seek and receive legal advice regarding pending legal matters including, but not limited to, personnel matters and/or pending or contemplated litigation. (Closed Session under Tex. Gov't Code 551.071)

c) Evaluation of Executive Director (Closed Session under Tex. Gov't Code 551.071 and 551.074)

9. Adjourn Meeting

The next meeting of the Region 18 Board of Directors is scheduled for April 6, 2023. There being no further business, this meeting is adjourned.