



Phoenix Elementary School District No. 1
Regular Public Meeting/ Regular Session/Executive Session
November 18, 2010

Dr. Ruth Ann Marston presided over the PESD #1 Governing Board Meeting in the Phoenix Elementary School District Governing Board Room.

Other Board members present at the meeting were:

Mr. Doug Allsworth
(Absent)

Ms. Susan Bliss

Ms. Liz Meza

Dr. Louisa Stark

Also present were:

Ms. Myriam Roa
Superintendent

Mr. Tom Lind
Assistant Superintendent
for Curriculum and Instruction

Mr. Kenneth Baca
Assistant Superintendent
for Business Services

Mr. Randy Dickason
Executive Director for
Human Resources
(Absent)

Ms. Eleanor Moyza
Board Secretary

A. Regular Session – 6:00 p.m.

1. Call to Order – Dr. Ruth Ann Marston, President
2. Pledge of Allegiance – Sara Marcum
3. Adjourn to Executive Session

(Item E was discussed out of the order of discussion)

E. Superintendent's Report

1. Awards and Recognitions
 - Ms. Roa gave recognition to students from Emerson School and their art teacher, Ms. Deb Stanger, who submitted her students' artwork to the Arizona State Fair and they received 64 ribbons for their work. Jasmine, Joshua and Daisy showed their artwork to the board and the audience, who admired their beautiful work. Joshua spoke and expressed his appreciation to Ms. Stanger and stated that it is very awesome that they have art in the schools because some children need to learn to express themselves in their own way and they can do this with art.
 - Ms. Melody Herne, Whittier School Principal, gave recognition to Joseph Masters, a 6th grade student at Whittier School for being selected as a finalist for the 'Stop Random Gunfire' poster contest. He was honored at a City Hall celebration on Wednesday, November 17th. Ms. Herne stated that Joseph, under his teacher Dinore Ramirez and Art Teacher Patricia Gearhart did a wonderful representation of his vision of how he would stop random gunfire.
 - Ms. Roa gave recognition to Mr. John King with APS who presented a check to Phoenix Elementary School District in the amount of \$18,771 for working with them on the Peak Solutions Program. Mr. King stated that APS would like to thank Phoenix Elementary School District for participating in the APS Peak Solutions Demand Response Program

and because of our school district's help the APS Peak Solutions Programs was able to reduce overall energy demand by 33.5 MegaWatts.

- Mr. Tom Lind showed slides of the Bobby and Baxter show that was presented at Bethune School. Ms. Roa gave recognition to Bethune School for sharing the Bobby and Baxter, the Bobcat Show slides.

2. Announcements

Monroe School Stories Project –

Ms. Roa announced that on Friday from 5:00-8:00 p.m. the Children's Museum is hosting an Inter-generational evening celebrating the historic Monroe School Building, its alumni, teachers and families. Children are welcome and the museum will also be open for play. The evening includes a talkback from 5-6 p.m. with Monroe School Alumni as they share childhood memories of this grand school. Last year, our ALPS students participated in this history project to assist the Children's Museum of Phoenix in the development of this exhibit by interviewing the Monroe School Alumni.

Dr. Marston stated that we have some distinguished alumni for the Monroe School Stories Project; there is Judge Carrillo and her sister; Louie Rodriguez, who was superintendent here for a long time and actually did his student- teaching there and many other people who have memories of Monroe, even from the 20's. She stated that Jackson Pollock also attended Monroe School.

B. Executive Session

§38-431.03.5. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations with employee organizations regarding the salaries, salary schedules or compensation paid in the form of fringe benefits of employees of the public body.

1. Receive and Discuss Salaries and Education Jobs Fund

Dr. Stark moved for approval to go into Executive Session at 6:18 p.m. and Ms. Bliss seconded the motion. Dr. Stark modified her motion and Ms. Bliss accepted the modification and took Item F1 out of the order of discussion before they go into Executive Session. The board approved the motion by 4-0 and was passed. The board moved to Item F1.

F. Business Services – Kenneth Baca, Assistant Superintendent

1. Request Approval to Consider and if Deemed Appropriate Adopt a Resolution Authorizing the Issuance and Sale of Bonds of the District, Project of 2010, Series A (2010), Not to Exceed \$14,800,000 and Certificates of Ownership of Supplemental Interest Payments Pertaining to the Bonds

Mr. Baca acknowledged with pride that our Bond Election in November was successful, rounding at 70% to 30%, confirming with Judy Richardson from Stone and Youngberg that of all overrides and bonds, that was the largest passage rate of any other school district in Arizona this election cycle and he thanked the community for their support. Mr. Baca Introduced our Legal Counsel and Bond Counsel, Mr. Fred Rosenfeld from Gust Rosenfeld, along with Mr. Bob Casillas, from Stone and Youngberg.

Dr. Marston asked Mr. Rosenfeld if he would like to inform the board what he heard at the conference. *(Mr. Rosenfeld describes the cost for regular tax exempt bonds vs. Special tax bonds like Qualified Zone Academy Bonds:QZABS and Build America Bonds:BABS).*

Mr. Rosenfeld: A lot of things were covered at the conference in San Antonio such as you have to be very, very careful (with Special tax bonds) when you actually set the initial price of the bonds and they have made inquiries for the period of time from the initial sale of the bonds until the actual closing which is generally ten (10) days to two (2) weeks and one of the lawyers, the cost of just doing the due diligence on the price of the bonds was more than his whole fee; in his time it was a New York law firm. It would have been a sizeable amount of

work that he had to put in and he refused to do them after that. We did only one (special tax bond) last year in the state and that was done for a southern Arizona school district and they had an opportunity to do another one this year and they didn't want to go through with it because of the fee. But, on the other side, we would give you, if you go that route (to choose special tax bonds), detailed instructions on what you have to do and the detailed instructions involve how the money is spent, how you report it, how the Davis-Bacon Act is supposed to be reported and things of that nature. So it will take some follow-through if you go that route. But the Resolution does the following: it allows for the sale of what we call "R-Related Bonds", which are qualified School-Construction Bonds, Build America Bonds, Recovery Zone Bonds but we say in there, if you do those, you also have the option to do the Straight Tax Exempt Bonds that we usually sell and one of the things you would need, would be an allocation from the Department of Education for a qualified School Construction Bond. I know they just allocated \$25M to Scottsdale, so I don't know how many they have left.

Ms. Casillas: I think they have roughly \$100M left.

Mr. Rosenfeld: Almost all of last year's carried forward except for the one job and it was not very big.

Dr. Marston: Excuse me, is this discussion different from the discussion we had when we decided not to add another \$5M to the Bond Election? We talked about the "R" and the Davis-Bacon Act and the cost in terms of our administrators and I just want to be sure that we're not having new information here that we're...

Mr. Rosenfeld: No, only new information is what I said, from San Antonio (Texas).

Ms. Casillas: There is some...I mean, in terms of the audits and some of the strengths, 7 or 8 months ago that weren't clear when people were considering that we have the benefit of what other issuers have experienced, unfortunately, so we just want to make sure that we update it.

Ms. Roa: So they are reaffirming with their update tonight is as we discussed previously; we would have had to add money to the Bond (amount), to cover the cost of the additional costs of wages in order to experience the opportunity to have the tax benefits so in effect, it's a bit of a wash and a lot more work.

Dr. Stark: Actually, we have a choice; Tax Exempt Bonds which is what we've done traditionally, in the past. Or the QZABs, which is analogous to what we discussed earlier this year and I would say, if it's not too premature to say this, that I feel very strongly that we made a good decision last year and I would suggest we do the same this time.

Dr. Marston: Which was not to go for the normal Bonds.

Ms. Roa: To stay with the Regular Tax-Exempt Traditional Bonds.

Dr. Marston: You're talking about two to three weeks for sale and you're giving the date of 12/23. Is there some advantage to the District, getting them sold or ready for sale prior to the first of the year?

Mr. Casillas: Madam President, we have seen quite a few issuers come to the market to take advantage of the low interest rate environment that supply has caused rates, the last two to three days to back up a little bit, but again, if you look at the last 30 years, tax exempt rates are at near-low, so it seems to us that if indeed you have projects that you need to embark upon and start to fund, it does make sense to at least put yourself in a position to sell in the next two to three weeks if the markets continue to get worse or Ireland defaults on their Bonds and rates

spike up 1% you have the flexibility, we can choose not to get into the market, wait until the beginning of the year. This authorization allows the team to move forward, delegates to the Superintendent and to the Assistant Business Manager to finalize the transactions, so I think our goal would be to move forward and get it closed by the end of the year with the caveat that if again, the market goes crazy, we can push back a little bit.

Dr. Marston: The first big question I'm hearing from our community is, is the best time to sell Bonds to a limit of our bonded indebtedness? And today, with the GM issue, many people are seeing that as a turning point in the stock market; do you think that's really going to be that significant?

Mr. Casillas: It was very well-received, that's for sure and I think the stock market also rallied. Going back to Ireland last week, people were very concerned they might default in their debt. There seemed to be a growing feeling that perhaps they're working out with the EU and the banks a way to help them and that caused the markets to settle down a little bit, but every day it's volatile, there's no denying that, up and down, but I think all things considered, you're still on a good interest rate environment.

Dr. Marston: That's what I want to get clearly on the record because we have a responsibility to ensure that we sell them at a good interest rate environment.

Mr. Casillas: And your point and your question's a very good one too, and one point I didn't bring out is that if you did choose to wait, let's say, until next fiscal year, with some of the projections that we're seeing from the county and other sources in terms of your secondary assessed valuation which goes into the calculation of your bonding capacity, today, you can sell 14.8 Million but for instance, if you waited until next fiscal year, if those plummeting numbers come true, I think you'd lose roughly 5 Million of bonding capacity, if you waited more than six months.

Mr. Baca: Mr. Casillas, I think Dr. Richardson had mentioned it's projected at about an 18% decrease.

Mr. Casillas: Roughly 18%. We hope this is the last big drop. It's hard to predict real estate values, but we're kind of seeing that in some other places, so if you waited until next fiscal year you would potentially lose that bonding capacity.

Dr. Marston: Okay, I want to be sure that's clearly on the record because there are questions out there. And then the second question and you heard it before, is, are these bonds going to be available for purchase by the District patrons? Because these bonds will pay well in today's market.

Mr. Casillas: Yes, some industries might not like the low rates but we can. I think last time, either through your website, I know we did some direct mailing as well and we can use those same avenues to make, with a call-in number people to call if they're interested in buying the bonds.

Mr. Baca: Last time, it was posted to the web as well.

Mr. Baca made an administrative recommendation to approve and adopt the Resolution Authorizing the Issuance on The Sale of The Bonds of the District, Tax-Exempt Not To Exceed \$14.8 M, Including The Certificates of Ownership of Supplemental Interest Payments Pertaining to the Bonds, and Dr. Stark moved that the board support the administrative recommendation and Ms. Meza seconded the motion. The board approved the motion by 4-0 and Item F1 was passed.

(Item B/Executive Session was discussed out of the order of discussion)

B. Executive Session

Dr. Stark moved for approval to adjourn to Executive Session and Ms. Meza seconded the motion. The board approved the motion and the board went into Executive Session at 6:38 p.m.

1. Receive and Discuss Salaries and Education Jobs Fund
2. Adjourn to Regular Session - 7:15 p.m.

C. Approval of Consent Agenda

1. Approval of Minutes: October 14, 2010
October 21, 2010
October 28, 2010
2. Ratification of Payroll \$1,950,862.12 and Expense Vouchers \$471,635.72 in the Total Amount of \$2,422,497.84
3. Request for Approval of Gifts and Donations
4. Request for Approval of Sole Source Vendors for 2010-2011 School Year for Expenditures Under \$50,000.00
5. Request to Approve Out of District Field Trip
6. Request for Approval or Ratification of Employment of Administrative, Certified and Classified Staff
7. Request for Approval of Separation of Employment, Resignations and Retirements
8. *Request for Approval or Ratification of Employee Contract/Work Agreement Adjustments for Changes in Position*
9. *Request for Approval of Uncompensated Leave of Absence*

Ms. Meza moved for approval of the Consent Agenda and stated that she'd like to pull Item 5 (Out of District Field Trip) for discussion, and Ms. Bliss seconded the motion. Ms. Meza asked Ms. Susan Engdall, Faith North School Principal if the parents have received full disclosure, any type of timeline on what their child will be experiencing. Ms. Engdall stated that yes, the parents know of the trip and that the children decided it with the teacher and the community at the beginning of the year, so they've been notified. Ms. Meza asked if there is a specific schedule that has been given to the parents as to what their child will be experiencing on the trip and what time. Ms. Engdall stated that she will have to check with the teacher on that. Ms. Meza stated that she asked that question because under the introduction of the description, it states that they will be taking an actual White Water Rafting Trip and Ms. Engdall confirmed that information and stated that they have taken that trip twice in the past with middle school students and got them all back safely and they had a marvelous time. She stated that this is also run by very experienced rafters and the company has been around for many, many years.

Ms. Meza asked Ms. Engdall if they plan to add anymore adults to the trip because currently they have 5 adults going on the trip. Ms. Engdall stated that she would have to get with the teacher. Ms. Meza moved for approval to defer/table Item C5 until more information is available and Dr. Marston seconded the motion. Dr. Stark stated that she feels it's safe because the trip has been taken in the past and Ms. Bliss stated that she agrees. Ms. Meza voted Aye to table the item, Dr. Marston voted Aye, Ms. Bliss voted Nay and Dr. Stark voted Nay. Since the motion to defer or table an item requires a 2/3 majority vote, the motion failed. Dr. Marston stated that the board will ask administration to forward the additional information that Ms. Meza asked for in the form of a Board Report. Ms. Bliss moved for approval of Item C5, the out of district field trip for Faith North, Dr. Stark seconded the motion and Ms. Meza abstained from voting, Dr. Marston voted Aye. Item C5 was approved and passed by 3-0. Ms. Bliss requested that the information that Ms. Meza requested, be forwarded to the entire board.

F. Business Services – Kenneth Baca, Assistant Superintendent

2. Authorization to Issue Request for Qualifications for Construction Manager at Risk for Bond

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and Supplemental Projects

Ms. Bliss moved for approval of Item F2 and Ms. Meza seconded the motion. The board approved the motion by 4-0 and was passed.

3. Request for Approval to Award Request for Proposal #003-1011 for Grease Interceptor Repair and Remodel

Mr. Lind stated that this item was brought to the board before this and stated that the ALPS students were asked to investigate the process of turning our grease into diesel fuel and also stated that they have a brief report that they can provide to the board showing their work if the board would like to have that. Mr. Karl Truscott, the Construction Supervisor gave information to the board regarding grease and the grease interceptor. Mr. Truscott also gave information to the board about the bidding process. Ms. Bliss moved for approval of Item F3 and Dr. Stark seconded the motion. The board approved the motion by 4-0 and was passed. The board asked for copies of the report.

D. Community Communications

This is the time for the public to comment. Members of the board may not discuss items that are not specifically on the agenda. Therefore, pursuant to §38-431.01(G), actions taken as a result of public comment will be limited to directing staff to study the matter, responding to criticism, or rescheduling the matter for further consideration and decision at a later date.

None

G. Curriculum & Instruction – Tom Lind, Assistant Superintendent

1. Receive and Discuss the District's Strategic Plan and Draft Blueprint for Student Success
This item will be brought back to the next board meeting.

H. Human Resources – Randy Dickason, Executive Director

1. Request for Approval of the Recommendation of the Review Committee Regarding the 2009-2010 Proposition 301 Award for Student Achievement for Shaw Elementary
Ms. Bliss moved for approval of Item H1 and approved the recommendations of the Review Committee. Dr Stark seconded the motion and the board approved the motion by 4-0 and Item H1 was passed.
2. Request to Approve the Summative Evaluation Report for Certified Non-Classroom Educators
Dr. Stark asked who these people are and Mr. Lind stated that there is a group of certificated employees who are not classroom teachers and they would include our Teachers on Assignment, District Coordinators, Math Coaches, Literacy Coaches, New Teacher/Mentor Teachers and Resource Specialists. Dr. Stark asked Mr. Lind who will do the evaluations and Mr. Lind stated that the School Principal is the primary evaluator if the position is located at the school, like Math Coaches, Literacy Coaches, Teacher on Assignment and there are coordinators who report to Directors here at Emerson Court so it would be the coordinator's supervisor who would complete the evaluation. Dr. Stark requested general information in a Board Update, as to who will do the evaluations, their status, who reports to whom, etc. Ms. Bliss moved for approval of Agenda Item H2 that we approve the Summative Evaluation Report for Certified Non-Classroom Educators contained in our agenda of today's date and Ms. Meza seconded the motion. The board approved the motion by 4-0 and Item H2 was passed.

I. Board Reports and Requests

1. Update on University Public School Phoenix
2. Board Direction to the Superintendent (if necessary)
Ms. Bliss requested Monterey Park be added to the District Website because it is not on there now. She requested that phone numbers, including cell phone numbers be made available to the community. Ms. Roa stated that she will provide the board with a list of the Pros and Cons of this request and will try to find out what the issues are and whether or not we have

employee directories of every cell phone number.

3. Board Report

J. Adjournment

Ms. Bliss moved for approval to adjourn and Dr. Stark seconded the motion. The board approved the motion and the board meeting adjourned at 7:45 p.m.

Respectfully Submitted,

Dr. Ruth Ann Marston
Governing Board President

RAM/evm