

REGULAR MEETING OF THE BOARD OF DIRECTORS
IOWA CITY COMMUNITY SCHOOL DISTRICT, COUNTY OF JOHNSON, STATE OF IOWA
BOARD ROOM 509 S. DUBUQUE STREET
7:00 P.M., THURSDAY, DECEMBER 10, 2009
RESCHEDULED FROM DECEMBER 8, 2009
PRESIDENT PATTI FIELDS, PRESIDING

MEMBERS PRESENT: Toni Cilek, Michael Cooper, Tuyet Dorau, Patti Fields, Gayle Klouda, Michael Shaw, and Sarah Swisher.

President Fields called the meeting to order at 7:00 PM and introduced the Board, Superintendent and Board Secretary.

ICEA Update

Tom Yates, co-president of the ICEA, said you get what you pay for if you are willing to pay for it and was disappointed to report that the ISEA request for Declaratory Order from the Department of Education was rejected in which the Department of Education said the teacher salary supplement is subject to the 10% across the board cut ordered by the governor. In addition, Mr. Yates reported the ISEA has filed a PPC against the district and wants to bargain in good faith.

President Fields inquired of Mr. Yates what he means by you get what you pay for and expressed concerns that Mr. Yates may in fact be bargaining.

Student Representatives' Update

There were none.

Open Discussion

There was no open discussion from the public.

Dr. Plugge reported that Wickham and all the school buildings are in fact having school tomorrow regardless of what media reports might be. In addition, Dr. Plugge addressed the Roosevelt repurposing noting that at the last board meeting the Facility Advisory Committee began working and is now formed.

Director Cooper, Chair of the Board Facility Advisory Committee and the Superintendent's appointment will co-chair. Dr. Plugge then reviewed the composition of the committee. Directors discussed the committee's charge and a timeline.

Director Cooper inquired of the purpose of the ICEA Update and Student Representatives update.

Dr. Plugge noted that the weather has posed difficulties for the school for the last few days and noted that he prefers to avoid late starts and that a make-up day will occur in March and June 4.

President Fields noted that the board is now two months from its October retreat date and discussed receiving an attorney general's opinion regarding potential conflict of interest with an SEIU employee and inquired of Dr. Plugge the status. Dr. Plugge noted that the district's attorney was to contact Director Swisher's attorney. Director Swisher reported that that contact has been made but there is no additional news to report.

Directors' Activities

Director Dorau reported on a recent JCOG board meeting which addressed transportation issues and a recent Iowa City Community School District's Foundation board meeting which addressed an appeal to support the Foundation's Excellence Fund. Ms. Dorau reported on John Bacon's recent published book and on recent visits to West High and Longfellow Elementary, thanking the principals and the teachers.

President Fields reported on a Youth Policy board meeting next month and Dr. Plugge reported the Administrative Facility Advisory Committee will meet Thursday.

District Business – Consent Items

MOTION BY DIRECTOR FIELDS, SECONDED BY DIRECTOR DORAU TO APPROVE THE CONSENT AGENDA ITEMS AND THE ADDENDUM AS PRESENTED. It was noted that tonight's consent agenda is abbreviated due to the emergency meeting on Tuesday, December 8, on which the board approved the full consent agenda on that day.

- A. ADDENDUM CERTIFIED STAFF A(1)
- B. ADDENDUM OPEN ENROLLMENT FOR THE 2009-2010 SCHOOL YEAR INTO OUR DISTRICT FOR SHALISE BURKS AND JARRED GAFFORD

MOTION CARRIED 7-0

Audit Report

Kristen Hughes, audit manager with McGladdery & Pullen, who attended the meeting via telephone, presented highlight of the district's June 30, 2009 audit report and reviewed the required auditor communications. Ms. Hughes noted the district received an unqualified audit opinion, which is the highest it can receive and reviewed revenue in the current year to the prior year for all governmental funds, noting the significant differences in sources from the previous year as well and reviewed expenditures for all governmental funds in the current year from the prior year, noting the primary increases due to salary and benefits with an increase in the number of staff due to increased enrollment. Ms. Hughes then reviewed the general fund number of days expenditures, noting that as of 2009, it was at ten days. Ms. Hughes noted that the GFOA recommends this should be between two and three months or should be between 60 and 90 days. Ms. Hughes then reviewed revenues and expenses for the food service fund, noting the increase in expenses primarily due to increased food costs and staffing.

Director Klouda noted the material weakness the internal control structure and inquired how this may impact the unqualified opinion.. Ms. Hughes noted that the unqualified opinion relates to the financial statements and the amounts reflected therein and the internal controls is a separate issue addressing the district's operations.

Director Klouda inquired as to the reason behind the segregation of duty of findings and Ms. Hughes noted that most districts do not have enough staff to properly and adequately segregate all duties and recognizes there are some compensating controls the district can implement to mitigate.

Directors requested progress report on the improvement of the district's segregation of duties along with a timeline for that improvement. Ms. Hughes noted that some smaller offices are not

always able to adequately segregate duties, but some larger offices should set a goal of eliminating one to two of these segregation of duty problems per year.

MOTION BY DIRECTOR SWISHER, SECONDED BY DIRECTOR COOPER TO ACCEPT AND PLAY ON FILE THE DISTRICT'S AUDIT REPORT FOR YEAR END OF JUNE 30, 2009.
MOTION CARRIED 7-0.

Bell Schedule

Dr. Plugge stated that it is his recommendation to maintain the current bell schedule with one minor change in which both high schools would operate with an 8:05 to 3:20 bell schedule. Directors inquired if this would conflict with other city buses or congestion at City High and Dr. Plugge will work with the city officials as necessary.

Regina Bussing

President Fields reviewed the board policy whereby directors would hear from the administration and then receive public input with a three minute limit per person and then directors would review the policy and process the information. Dr. Plugge referenced Enclosure 8 in which the district is seeking a means of reducing non-instructional budget expenses and transportation costs are a focus area for reduction. Dr. Plugge noted that non-public transportation expense will exceed the reimbursable revenues by approximately \$260,000. Dr. Plugge reviewed the history of meeting with Carol Trueg, President of Regina, and Durham transportation officials as well as Max Christensen, the Iowa Department of Education Transportation Director. Dr. Plugge reviewed the various options discussed and recommends the board take action to change the method by which the district meets the requirements of Iowa Code in providing transportation to students attending accredited non-public schools. Dr. Plugge recommends that the option of transporting Regina students on buses operated by the district to cease at the conclusion of the 2009-2010 school year and that the district use the option of the state reimbursing bus-eligible students or contracting with Regina to provide bussing services for their students. Dr. Plugge will also work with Regina and Durham to determine which of these two options are most acceptable for Regina. Directors inquired if there was any compromise in making the recommendation. Dr. Plugge stated his recommendation is for revenue neutrality and that approximately four buses are needed to balance the available state revenues. However, with the statutory time constraints, four buses are not possible to transport all the necessary students. Directors inquired if the three currently owned Regina buses and a bell schedule change could district simply bus students in the outlying areas. Director Swisher inquired if two meetings were sufficient to adequately explore all options before directors took action. Dr. Plugge stated that in working with Durham, Durham believes that 8 buses are the fewest needed to operate and Dr. Plugge's recommendation to continue bussing would have to be revenue neutral. Director Cooper inquired if Regina can pay the difference between eight and four buses. Directors also discussed the fact that Regina has known about this decision since last April or May and that Dr. Plugge met with Carol Trueg last April regarding bussing and bell schedules. Directors also noted that approximately 1500-1800 Iowa City Community School District parents who seek voluntary transfers, must transport their children from their home school to their attendance center.

Mary Murphy addressed the board with a PowerPoint presentation and asked that the presentation be included in the minutes. Ms. Murphy noted that the board is elected by all parents of this community and asked to what extent is the district's budget crisis is real. Ms. Murphy reported on the 2008 transfer from the district's general fund to the capital project fund. Ms. Murphy requested an independent auditor verify transportation efficiencies. Ms. Murphy

asked why there is no SILO funding for transportation and referenced the Department of Education's websites and the CAR reporting versus the transportation reporting and inquired of the differences. Ms. Murphy suggested routing Regina students with the Iowa City public school students.

David Krummel, PhD candidate and first year principal at Regina, wanted to dispel two pieces of information. First is Regina students have their own buses, not at Regina's request and two that Regina is unwilling to compromise. Mr. Krummel reported that the buses are not operating at full capacity and wants to combine Regina and public school district routes.

Carol Trueg distributed a report to the board. Ms. Trueg reported that she is surprised that a decision on bussing is to be made so soon and wants to know what the facts are to determine that only two or three buses can be eliminated. Ms. Trueg reported that 74 students routed on Regina routes do not ride and thus can be reduced and removed and noted that the original reason to include Regina students on Iowa City school buses is for safety reasons. Ms. Trueg stated that the district paid a huge premium for new buses and referenced the per unit costs of other Durham contracts in Iowa City and in conversation with another superintendent, said that Iowa City only wants the Regina students.

Chris Conrad, whose daughter attends Mark Twain Elementary School, knows cuts are coming and requested the district take action to mitigate cuts in the district.

Fr. Rudolph Juarez addressed the board and hopes that the decision does not reflect a Catholic bias and asked directors to think of this decision on the poorest amongst the community members and does not see the will of the district to compromise. Fr. Juarez reported that Regina came to the board for solutions and is willing to work with the district and believes this has fallen on deaf ears. Fr. Juarez stated that in the spirit of collaboration and community, has called for a task force of the district and Regina families for compromise and to serve the students in this community.

Curtis Wheeler, Durham General Manager, addressed the board to respond to a number of questions, noting that 71-passenger buses are rated at a capacity of 3 elementary students per seat and the junior high are two per seat, bringing capacity down to 45 or 48. Mr. Wheeler also reported that Durham audits their ridership one week each month and that Regina currently has 11 dedicated buses with approximately 244 riders. Mr. Wheeler noted that Iowa Code requires that all eligible students be routed and if centralized bus stops were utilized for Regina, the number of 11 buses could be reduced to 8 or 6.

Nancy Bonthuis, made three points to the board, noting that the Department of Management's website contains the district's certified budget of \$5.2 million for transportation costs and is outraged at this amount and requested the district look for efficiencies. Two, cut the number of buses down to 105 in the current year, but costs increased. Finally, she is insulted that cost of transporting of Regina students equates to five to six teachers as cited per Dr. Plugge.

MOTION BY DIRECTOR SWISHER TO DEFER ACTION ON REGINA BUSSING UNTIL THE FIRST JANUARY 2010 SCHOOL BOARD MEETING. MOTION DIED FOR LACK OF A SECOND.

President Fields reported that the Iowa City board has received extensive e-mails from Iowa City parents expressing concern over the budget and the impact on students next year.

Director Cilek noted that this board started discussing last spring the Regina school bussing issue and this board was concerned about Regina students. There are great needs in the community, just a general lack of funding.

President Fields made clear that this board's actions and deliberations are not anti-Catholic.

Director Cooper noted that this district does have serious financial issues.

Director Dorau noted that the district needs to look out for the entire community including Regina and that the public schools have already experienced a loss of summer school and increased class sizes and asked the Regina community to share the cost of bussing and to compensate the Iowa City School District for it.

MOTION BY DIRECTOR COOPER, SECONDED BY DIRECTOR KLOUDA THAT THE IOWA CITY COMMUNITY SCHOOL DISTRICT WILL DISCONTINUE PROVIDING BUS SERVICES TO THE REGINA PAROCHIAL SCHOOL STUDENTS ON BUSES OPERATED BY ICCSD AT THE CONCLUSION OF THE 2009-2010 SCHOOL YEAR AND THE BOARD DIRECTS THE SUPERINTENDENT TO WORK WITH THE REGINA ADMINISTRATION TO DETERMINE HOW THE STATE REIMBURSEMENT TO FAMILIES OF BUS ELIGIBLE STUDENTS WILL BE COORDINATED.

Director Swisher said she will be voting against this as it is premature as we have not explored all options and hopes the Regina community still views the school district as a partner.

DIRECTORS SHAW, COOPER, FIELDS, KLOUDA, CILEK, DORAU VOTE YES, SWISHER VOTE NO. MOTION CARRIED 6-1.

Director Shaw said he hopes the district and Regina will continue to work together and are able to put aside adult differences on behalf of the children.

Director Cooper said if there are still ways to compromise and make this work financially, he is still open to these ideas.

Director Swisher distributed a draft resolution and read it.

MOTION BY DIRECTOR SWISHER, SECONDED BY DIRECTOR FIELDS TO ADOPT THE RESOLUTION AS DISTRIBUTED. (Attached) DIRECTOR SWISHER YES, DIRECTORS SHAW, COOPER, FIELDS, KLOUDA, CILEK, DORAU NO. MOTION DEFEATED 1-6.

Horn Update

Dr. Plugge introduced Chris DeGroot and Scott Palmberg with the architectural firm of Neumann Monson and Kristi Cannon, principal at Horn. Mr. DeGroot reviewed the original scope and revised cost of the work as well as the current scope and estimated cost of the project. Mr. Palmberg reviewed revised site plans illustrating classroom addition, gymnasium addition, and remodels.

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR COOPER FOR THE BOARD TO ACCEPT THIS PROJECT PLANNING UPDATE AS STATED IN APPENDIX 9 AND TO CONTINUE ON WITH THE PROJECT PLANNING FOR HORN. MOTION CARRIED 7-0.

The board recessed at 10:05 PM and reconvened at 10:13 PM.

Communication Committee

Director Shaw reviewed the minutes of the November 6, 2009 Communication Committee which made recommendation of improvements of board communication with stakeholders and community members. Director Shaw stated that in addition to the previous recommendations, he suggested the board consider evaluating their work after each meeting through a plus delta tool. Directors also discussed possibly analyzing the amount of time they spend on agenda topics in previous meetings. Director Swisher will e-mail to directors and pilot at the next meeting.

IASB Directors Election

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR KLOUDA TO VOTE FOR RICHARD CLEWELL. MOTION CARRIED 7-0.

Agenda Setting Policy Revision Second Reading

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR SWISHER TO CONDUCT A SECOND AND THIRD READING ON ENCLOSURE 12. MOTION CARRIED 7-0.

Office for Board Members Policy Revision Second Reading

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR SWISHER TO CONDUCT A SECOND AND THIRD READING ON ENCLOSURE 13. MOTION CARRIED 7-0.

Board Goals

This item was deferred until a future meeting.

Redistricting

This item was deferred until a future meeting.

Secondary Program of Studies

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR SWISHER TO APPROVE THE SECONDARY PROGRAM OF STUDIES AS PRESENTED. Directors discussed how the secondary programs of study fit into the curriculum review process. MOTION CARRIED 7-0.

Facility Report

Dr. Plugge reviewed the facility report with further elaboration on the color scheme noting that yellow means we need to progress faster and that the project is either delayed or over budget. Dr. Plugge discussed the soil conditions at Garner Elementary School and the City High Bleacher project.

Budget

Executive Director of Administrative Services Bobek reviewed the 2010-2011 preliminary unspent balance. Mr. Bobek noted that there have been a few changes to the materials previously presented as there was an error in a formula and the revised figures are reflected in tonight's

presentation. and are intended to project the unspent balance almost 19 months from today. The dollar amount of budget cuts to balance the budget will then be based upon tonight's projections.. Mr. Bobek then reviewed the various budget assumptions used to develop this budget and noted that the Department of Management won't release the 2010-2011 Aid & Levy until February of 2010. The various scenarios used in the projections were also reviewed noting three allowable growth projections, one using the current statutory rate of 2%, but recognizing the state's economic difficulties possible reductions down to zero or negative 2%. Mr. Bobek also noted that these projections assume the same number of FTE currently employed in the 2009-2010 and that no provision for increased costs or additional school budget review committee modified allowable growth with the opening of Garner are reflected. Mr. Bobek reviewed the revised June 30, 2010 unspent balance projection showing the numbers originally projected as well as refinements of those numbers. Mr. Bobek reviewed the projected expenditures for 2010-2011 predicated on allowable growth of zero, 2% or negative 2% and assumed general inflation rates of 3% and total package salary changes of 0%, 1%, 2%, 3%, or 4%. Mr. Bobek then summarized the budget cuts necessary to balance the 2010-2011 fiscal year noting that budget cuts of \$1.7 to \$5.1 million would be needed assuming allowable growth remain at 2%. Mr. Bobek noted that tonight's focus is on spending authority only and does not address property taxes or state aid. Mr. Bobek recommended the administration develop a plan to cut budget with a range of \$1.7 to \$5.1 million and in priority order.

Agenda Setting

1. Communication Committee pilot
2. Redistricting
3. Board Goals
4. Budget
5. Facility Report
6. Closed Session – Superintendent Evaluation
7. Enrollment Report
8. Academic Achievement – ITBS/ITEDS
9. Superintendent Goals and Objectives
10. District Safety Committee Report

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR SHAW TO GO INTO CLOSED SESSION FOR THE PURPOSES OF DISCUSSING BARGAINING STRATEGY SESSION.
MOTION CARRIED 7-0.

Director left the meeting at 11:32 PM. Directors entered closed session at 11:33 PM.

Directors returned to open session at 12:08 AM.

MOTION BY DIRECTOR CILEK, SECONDED BY DIRECTOR DORAU TO ADJOURN AT 12:08 AM. MOTION CARRIED 6-0-1