

COMMITTEE OF THE WHOLE DECEMBER 2, 2002

The Board of Directors of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met as a Committee of the Whole on Monday, December 2, 2002, pursuant to law and the rules of said Board. The meeting was held at Fillmore Elementary School, 7307 N. Pacific, in the Media Center. President Susan Low called the committee meeting to order at 5:35 PM.

On roll call the following board members were present: President Susan Low; Directors Richard Clewell, Alan Guard, Steve Hunter, Anne Losasso, and Dan Portes.

FINANCIAL REPORTS

Marsha Tangen introduced Dave Cahill from Eide Bailly LLP who helped to conduct the audit for the 2001-2002 year. The changes in the financial statements were explained showing the differences from previous years. The financials show the new reporting system implemented by the Governmental Accounting Standards Board (GASB 34) Statement. We started preparation over a year ago and were one of four districts in the State who had to comply with the new process. Mr. Cahill congratulated the accounting department and its staff for their help with the audit. The financials are prepared internally with the statements and analysis. Then representatives from Eide Bailly conduct the audit of these financials. We operate like a business and need to know what is going on, which gives us the ownership we need. This process is quite an eye opener for the smaller districts when they have to comply with the accounting procedures. Mr. Cahill said this is the first year using GASB 34 models, and eventually all the districts will be phased into this system. He went over the new format, introductions, financials, statistical and internal controls, and compliance areas. Each part of the Comprehensive Annual Financial Report for 2002 was examined and highlighted by Mr. Cahill. The District received Certificate of Achievement for Excellence in Financial Reporting, which requires a high level of compliance in order to get these awards. Mr. Cahill talked about other areas of the report including the unqualified opinion, management discussion and analysis, basic financials, fixed assets, expenses, revenues, balance sheets, and reconciliation. He said the finance department is addressing the deficit in the general fund. The capital projects fund has a substantial balance because of the LOST revenue, but that can't be used in the general fund. There was a review of the statement of fiduciary net assets and schedule of expenditures for federal funds; plus other supplementary information was covered. We continue to keep any excess funds invested as appropriate and allowed by law. As board members raised questions, the administrators and Mr. Cahill responded to clarify. Claudia Wood addressed areas dealing with revenues from the State, investment portfolio, investing procedures, grant revenue, self-insurance funds, and categorical areas. The audit will be presented for approval at the December board meeting.

FACILITIES UPDATE

Bill Good explained there would be a change order presented in December for rest room improvements needed off the new sports lobby at Central. Instead of going out as a bid, they are recommending the change order be approved at that time. Mr. Good then talked about the window replacement proposed for Washington, the farm leases for 85 acres at Kimberly and Wisconsin, and 18 acres at 46th and Eastern. They went out for quotations for the 2003 crop year and will present bids on December 9. We have lists that go out to potential farmers who have expressed interest in the past and they submit bids for the farm leases. There will be a turn over for the lease of property at Kimberly and Wisconsin this year. Mr. Good also updated the Board on their request about air conditioning in Title 1 buildings. He showed data on national averages and on electrical usage over the summer months. They talked about air conditioning usage during the months of July, August, and September with summer programming. He felt the costs were shown on the high side, but at least the Board had some comparisons to consider. We are well known in the Midwest for energy savings potential in our buildings that would make the actual costs less than projected if AC was used in the eight Title 1 buildings.

Director Guard mentioned a visit to Walcott and the ventilation needs that should be addressed in that building. Mr. Good explained there was ventilation but not air conditioning used in all the spaces. We are not air conditioning classrooms, but there is air exchange. Board members continued to discuss the air conditioning needs and what else could be done with the LOST revenues for the remaining buildings. Mr. Good brought up the additional operational requirements that would need to be figured for the general fund if the buildings were air conditioned. The window replacement is expensive, but there is a cost savings in the operational budget with that expense. They briefly talked about how programs could be expanded during the summer if there was air conditioning in some of the buildings. Mr. Good talked about options that could be explored in reviewing funding for these areas. Board members brought up whether this was a wise use of the limited money we had available. They also talked about remaining competitive with other districts surrounding us that do have air conditioning in their facilities and how this helps the learning environment for students and staff.

Director Guard wanted to first hear how the Local School Improvement Advisory Committee would mix this with their suggestions for expending the remaining funds from the LOST. Director Hunter felt this had to be considered when we look at our Title 1 schools and making us go forward on achievement. In making the buildings more attractive and spending money up front, we may be able to expand our enrollment numbers. What is the impact on the achievement of students with this type of investment? Director Losasso felt this was a wave of the future so schools can be used year round, but we have to consider if we can afford the operational costs at the facilities. Director Clewell talked about being competitive and the impact of the No Child Left Behind act. We have made improvements in boilers and windows for efficiency and economy; we need to explore the air conditioning as well if we want our students to be comfortable so they can learn. He also wanted to see if the LSIAC would bring this matter up in their suggestions. Director Portes talked about the enormous task of the LSIAC to consider the improvements to recommend and if changes are needed in boundaries. Director Guard felt how we spend money and boundaries are tied together.

President Low brought up concerns about the State going through budget slashes and the possibility of them looking at money that goes into our general fund. She brought up concerns about using LOST dollars for equipment that we might not be able to afford to use in the future. Mr. Good commented that we might have to spend dollars now in order to save dollars in the future. He expressed concerns about having to wait until the end of January for direction in this area and turning it around in a short span of time. Director Portes noted that in a \$120 million budget the operational costs of \$85,000 a year for air conditioning was not enormous. We may have to raise the bar and spend money in order to move forward with good strategic planning. President Low had concerns about the deficit the district had and declining enrollment that needed to be considered also. Director Portes mentioned we might want to explore more agreements with businesses like the YMCA where we pay the facility costs and they pay the operational fees. Dr. Blanche mentioned with the air conditioning issue, if we go down that path, it will be hard to just stop with the Title 1 buildings and we need to keep our eyes open. Title 1 buildings may be a good place to begin for the summer programs. There was additional discussion about the LSIAC and what the public wants for their buildings. Mr. Good said he would be able to get started on this as soon as the Board gave him directions to begin, but it will take a lot of engineering and a bidding process to complete. The matter needs to go to the LSIAC for some direction, and the Board is not at a point to make a decision now.

FOCUS GROUPS REPORT AND OPEN ENROLLMENT

Dr. Blanche talked about desegregation, open enrollment, and plans for making this work. The Board had asked for a Focus Group to look at issues. Christie Wallace Noring and Rachael Mullins presented details from the report. They overviewed the process, looked at values and limitations of the research, and talked about the observations that were made. Only a few people were actually in the Focus Group and it was not given to the general community. There is helpful information we can use in the report, but the Board's decision should not rest on the Focus Group report. There were two key issues: (1) How to communicate the open enrollment policy decision and (2) Awareness on perceptions and how this impacts our plans for marketing. Rachael Mullins talked about conclusions drawn and insights into how people develop perceptions. The Board reviewed the seven observations made from the focus groups and the fact that it was imperative to have "one clear voice." They heard about perceptions, choice, communication, and

limited and incorrect information people had about open enrollment. Mrs. Noring explained the individual written preliminary comments and group discussion comments of each Focus Group. It was conveyed less than \$2,000 was spent on the research. Director Portes felt this was valuable information and we can learn from the study. He talked about effective communication and getting the correct information out to the public. Because we don't go a good job of communicating, the public doesn't trust us. We need to get information out to the community and not rely on the newspaper to do this work. We can get feedback through the Internet and on our web. We need to move quickly with our marketing plan.

Director Losasso agreed the communication issue was bid and the public was slow to adapt to changes. We have to look at the students and parents as customers and they need valid information to make decisions. We need one clear voice across the Board that will eliminate confusion. Director Clewell said we need to do a better job on communicating and to kick it up. We may want to consider some open forums on the issues. He was disappointed that people were not coming out to the committee meetings when the Board met in the buildings. We need to deal with what the problems are and the restrictions we have for open enrollment. We have to do the work and not rely on the newspaper to get the message out. Director Losasso understood the concerns, but noted that only a limited number of the same people come to the Open Forums to express their views. Maybe there were better means to communicate. Director Portes talked about Open Forums as group sessions where the same people tell the Board all the bad things we are doing. The report said the principals and teachers are the communicators, and we need to use them to get the messages out more clearly. We have the network but need to use it better. Director Clewell commented that we have to rely on the student and parent relationship also. Director Guard felt there were successful experiences using the Open Forum method. Director Losasso felt that this needed a major involvement at the parental level, but there were too many people who didn't take an interest.

Dr. Blanche said customer service is what goes on every day in all our buildings. We need to make people understand what happens in our buildings and have a systematic way of doing this. We need to look at total quality and there is lots of information available. We have to work with staff and utilize what we have in a better manner. President Low mentioned that schools do different things to communicate with parents and maybe we needed a more systematic approach. Ms. Mullins made comments that we need to tailor our strategies around the people in our buildings. At the December 10 District Leadership Team meeting, we will speak with principals about the issues, plans, and key components and how to tailor needs. Director Hunter mentioned that parents are concerned about their own children, but not necessarily about district needs as a whole. If we don't sell the entire package, it won't work. We have wonderful opportunities in our district, and if children apply themselves, they will be successful. Director Losasso talked about the athletic bond at schools and the parental buy in with athletics. Ms. Mullins agreed they had learned from the Focus Groups that people were less interested in the total picture and more interested with how decisions affected them as individuals.

The Board took a brief recess from 7:30 until 7:40 PM prior to the next presentation by Bob Mata.

Mr. Mata talked about how they had put a desegregation plan all together in one document. They used the Burlington materials as a base to begin because of the flow of the document. He talked about the keys to a desegregation plan, elements included, where we start, current policy, proposed open enrollment, and including the materials that tied in from the building CSIP and strategic plans. We needed a comprehensive document and the various elements were discussed. Some will need adjustments and at least this is a place to start discussion. After review board members commented that this was a good start. They spent time on parts of the document and made suggestions about the order and changes to consider. Director Guard talked about the Waterloo and Burlington plans and his concerns about increases in minority isolation. The Board had a discussion about percentages mirroring the community statistics and the use of the percentages. Mr. Mata talked about statewide trends and information that might be of interest in this area. He will do some more work on community composition. Director Guard wondered whether we were using the right measuring stick, and he wasn't sure this was a good benchmark to use. Mr. Mata talked about the 2000 census that was just coming out that might be of help as this is reviewed. There are a significant number of people who do not have children in school in our communities. Director Portes said the new policy will limit open enrollment trends, but it won't stop open enrollment. Mr. Mata commented that people in the Focus Group were amazed at the number of kids

going to other districts and that they were taking the dollars with them from our district. We need to find a better way to convey this to people so they understand the impact. Director Hunter noted that we have a way to limit this if we have a desegregation plan and that was part of the State code. They knew when they made the law there would be problems for the larger districts and they planned for ways to limit the number of people who open enrolled out using a desegregation plan element. We have to show that the open enrollment is having an adverse impact on our students and numbers are significant now. This is a multi-year action when people open enroll their students and that action impacts our financial picture.

Mr. Mata said there were other things that play into causality such as immigration in some communities such as Des Moines. There are issues that effect the reports and we have to be sure we look at the data correctly and not just use raw data that can be misleading. We have lost 28,000 Caucasians in the last ten years statewide, and we have gained 13,000 students of color. What impact did it make on the larger districts and does one thing balance with another. There is a disparity with open enrollment and 95% of the 457 who have open enrollment out of the district are Caucasian students There are lots of things to consider such as choice, economics, where people select to live, and convenience. Board members talked about variety of reasons for people leaving the district. Director Guard had concerns that the new policy would not have community support and felt it would be an obstacle to the Board. He needed to see evidence that this change will accomplish what they want. The market plan would be a better thing to use and getting ambassadors out into the community first. If we convey the right message, it will be more acceptable to people. Director Hunter asked about the computerized random selection and matching the guidelines in the policy revision. The Board will continue to review this and discuss the policy in January.

BOARD POLICIES

Board members quickly went over the recommended revisions in several policies and made suggestions for additional changes. Policies discussed were 401.43 Verification of Criminal Conviction Records; 401.46 Student Abuse by Employees; By-Law 903.12 Minutes of Meetings; and the deletion of By-Law 903.13 Tape Recordings of Board Meetings. The corrections will be made and presented for approval at the December board meeting.

OTHER ITEMS

President Low mentioned there were two recommendations for expulsion that needed to be heard by the Board. People checked their calendars and decided December 4 at 12:00 noon would be available for at least four board members to hold the Special Call Meeting. A notice would be sent out and materials regarding the cases sent to the Board for the Wednesday meeting.

ADJOURNMENT

President Low adjourned the meeting at 8:40 PM.

Linda M. Smith, Board Secretary