

## MINUTES

### REGULAR MEETING OF THE BOARD OF EDUCATION PUEBLO SCHOOL DISTRICT 60

Tuesday, August 1, 2017 (1:00 PM)

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#### 1.0 CALL TO ORDER AND ROLL CALL

Board Vice President Barbara Clementi called the meeting to order at 1:06 p.m.

UPON THE ROLL BEING CALLED, THE FOLLOWING WERE PRESENT:

##### BOARD MEMBERS:

Barbara Clementi

Robert Gonzales

Frank Latino

Kenneth O'Neal (Arrived after roll call vote at 1:10 p.m.)

Phyllis Sanchez (Joined the meeting at 1:55 p.m. via conference call)

**ALSO IN ATTENDANCE:** Mr. Richard E. Bump, Attorney

#### OPEN IN EXECUTIVE SESSION

**Recommendation:** The Board of Education meets in executive session to discuss: Legal matters and to receive legal advice and the opinion of counsel on specific legal questions and pending and threatened litigation, pursuant to C.R.S. 24-6-402(4)(b); Personnel matters, actions, and updates including the Superintendent's evaluation and recommendations involving individual employees, pursuant to C.R.S. 24-6-402(4)(f).

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##### ORIGINAL - Motion

Member (**Barbara Clementi**) Moved, Member (**Robert Gonzales**) Seconded to approve the **ORIGINAL** motion 'The Board of Education meets in executive session to discuss: Legal matters and to receive legal advice and the opinion of counsel on specific legal questions and pending and threatened litigation, pursuant to C.R.S. 24-6-402(4)(b)-31 minutes; Personnel matters, actions, and updates including the Superintendent's evaluation and recommendations involving individual employees, pursuant to C.R.S. 24-6-402(4)(f)-10 minutes'. Upon a roll call vote being taken, the vote was: Aye: **4** Nay: **0**. The motion **Carried**. **4 – 0**; Absent: Phyllis Sanchez

##### 1:55 P.M. – OPEN SESSION

Mrs. Sanchez joined the meeting via conference call.

#### 2.0 CORRECTIONS AND MODIFICATIONS TO THE AGENDA

There were no corrections and modifications to the agenda.

#### 3.0 ADOPTION OF THE AGENDA

##### Adoption of Agenda

**Recommendation:** It is requested that the Board of Education adopts the agenda for August 1, 2017 as presented.

**ORIGINAL - Motion**

Member **(Frank Latino)** Moved, Member **(Kenneth O'Neal)** Seconded to approve the **ORIGINAL** motion 'It is requested that the Board of Education adopts the agenda for August 1, 2017 as presented'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**

**12.0 ACTION ITEMS**

**Administrative Leadership Appointments/Reassignments**

The Board of Education is asked to approve the superintendent's recommendation for leadership appointments/reassignments.

1. Christina Benavidez from I.B. Coordinator, Fountain International Magnet School to Assistant Principal, Irving Elementary School effective July 24, 2017.
2. Rose Benitez from Spanish Teacher, Corwin International Magnet School to Assistant Principal, Corwin International Magnet School effective August 1, 2017.
3. Julie Flint from AVID Coordinator, Risley International Academy of Innovation to Specialist for Elementary Literacy effective August 1, 2017.
4. Destin Mehess from Assistant Principal, Central High School to Interim Principal, Central High School effective August 1, 2017.

**Recommendation:** The Board of Education approves the superintendent's recommendation for leadership appointments/reassignments as presented in the August 1, 2017 Board materials.

**ORIGINAL - Motion**

Member **(Frank Latino)** Moved, Member **(Robert Gonzales)** Seconded to approve the **ORIGINAL** motion 'The Board of Education approves the superintendent's recommendation for leadership appointments/reassignments as presented in the August 1, 2017 Board materials'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**

**Report and Recommendations of the Fact Finder**

The Board of Education is asked to consider and potentially take action in the matter of the Fact Finding between Pueblo School District 60 and Pueblo Education Association (PEA) and Pueblo Paraprofessional Education Association (PPEA). Superintendent Macaluso stated that she has presented a recommendation to the Board of Education in a form of a resolution for which each board member had in front of them.

**Recommendation:** The Board of Education consider and potentially take action in the matter of the Fact Finding between Pueblo School District 60 and Pueblo Education Association (PEA) and Pueblo Paraprofessional Education Association (PPEA)as presented in the August 1, 2017 Board materials.

**ORIGINAL - Motion**

Member **(Barbara Clementi)** Moved, Member **(Frank Latino)** Seconded to approve the **ORIGINAL** motion 'The Board of Education adopts the Resolution Acting Upon the July 7, 2017 Report and Recommendations of the Fact Finder between Pueblo School District 60 and Pueblo Education Association (PEA) and Pueblo Paraprofessional Education Association (PPEA)as presented in the August 1, 2017 Board materials'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **0**. The motion **Carried. 5 - 0**

**BOARD OF EDUCATION**

**PUEBLO SCHOOL DISTRICT NO. 60**

**(Resolution Acting upon the July 7, 2017  
Report and Recommendations of the Fact Finder)**

WHEREAS, the Board of Education (Board) of the Pueblo School District No. 60 (District) has entered into separate collective bargaining agreements (CBAs) with the Pueblo Education Association (PEA) and the Pueblo Paraprofessionals Education Association (PPEA) (collectively, the Associations); and

WHEREAS, the Board engaged in negotiations with the Associations concerning potential revisions to the terms and provisions of the CBAs for the 2016-2017 year, including compensation and benefits, that would allow the Board to meet the budget and appropriation requirements of Colorado law; and

WHEREAS, while the Board and the Associations did reach agreement on a number of language and contractual issues in the CBAs, they did not reach agreement on compensation and requested increases in health insurance contributions for the 2016-2017 contract year; and

WHEREAS, the Board and the Associations participated in fact finding in accordance with the CBAs on May 24 and 25, 2017, and on July 7, 2017, the Fact Finder issued her advisory Report and Recommendations (Fact Finder's Report); and

WHEREAS, representatives of the District and the Associations met to discuss the Fact Finder's Report in accordance with the CBAs on July 13 and 24, 2017; and

WHEREAS, pursuant to the CBAs, the Board is to act on the Fact Finder's Report and make a final determination regarding those remaining issues that were the subject of negotiations for the 2016-2017 contract year including the requested COLA and increased health insurance contribution; and

WHEREAS, the Board has considered all factors and information that it deems necessary and prudent in conjunction with the Fact Finder's Report including current fiscal year and projected future year budget constraints and funding considerations; and

WHEREAS, the Board desires to resolve the impasse over negotiations for the 2016-2017 year with the Associations in a fiscally prudent manner that recognizes the contributions of Association members to the important work of educating students within the District; and

WHEREAS, the Board has directed staff to begin a collaborative process of negotiations with the goal of avoiding impasse and reaching agreement as soon as

practicable on the provisions of the CBAs with the Associations for the 2017-2018 year.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education as follows:

- A. COLA Increase in Salaries. That the Fact Finder's Report concerning the COLA increase requested by the Associations be approved as follows:
  1. A one percent (1%) COLA increase to the PEA salary schedule effective for the 2016-2017 contract year; and
  2. A two percent (2%) COLA increase to the PPEA salary schedule effective for the 2016-2017 contract year.
- B. Contribution to Employee Health Insurance. That PEA's and PPEA's requested \$80 monthly increase by the District to the contribution to employee health insurance be approved for PEA and PPEA employees at \$50 monthly as recommended in the Fact Finder's Report with the increase to commence with the August, 2017 payroll for current PEA and PPEA employees who are currently participating in the District's health insurance plans.
- C. PPEA Step 17. That the District and PPEA further negotiate how to implement a Step 17 to the PPEA salary schedule and determine whether and, if so, in what manner contractual provisions in the PPEA CBA should be changed.
- D. Amendment to 2017-2018 Adopted Budget. That to the extent that implementing the above provisions affects the 2017-2018 Adopted Budget and related resolutions, including the use of beginning fund balance, this Resolution shall be deemed an amendment to the budget, appropriation, and related actions as authorized by C.R.S. § 22-44-110 (5).
- E. Negotiations for 2017-2018. That the District bargaining teams take this opportunity to re-establish a professional, working relationship with PEA and PPEA and work cooperatively to resolve negotiations for the 2017-2018 year as soon as practicable in a fiscally prudent manner on terms that will be mutually acceptable to the Board and the Associations.

Statement by CFO David Horner following the reading of the Resolution Acting upon the July 7, 2017 Report and Recommendations of the Fact Finder into the record by Barbara Clementi:

"The purpose of this communication is to provide the Board of Education with additional information as it may pertain to the Fact Finders Report. As CFO for Pueblo City Schools, I am expressing a high level of concern regarding the use of general fund contingencies and reserves. The use of reserves that are one time monies to pay for recurring expenditures has the potential to cause grave danger for the stability of the

District's financial condition.

In January 2017, the Board directed that an amended budget be developed with an ending reserve at 12% of revenue. This priority prompted the Board to conduct an additional meeting to allow for adjustment and final approval. The 2016-17 amended budget was approved at 11.9% with the understanding of working toward the 12% reserve amount. This was accomplished with our unaudited number showing slightly above 12%. The 2017-18 proposed budgets were developed in version 1 at 10.7%, version 2 at 11.5% and the final version that became our adopted budget also was at 11.5% with the understanding that we would manage toward the 12% level for our overall reserves and contingencies.

Based upon review of conversations with staff member/accountants and documentation from past CFO's, it is evident that the concern regarding use of ending reserves for recurring expenses was also clear in the development of the amended 2016-17 budget as well as the proposed 2017-18 budget.

The continual reduction in funding from the state level contributes greatly to the negative financial condition of the district. Unfortunately, our district continues to experience a significant decline in student enrollment which affects our net funding. Our district must stand ready to absorb and respond to possible and additional state funding reductions. Potentially, this will require use of reserves or drastic cuts in our budget to manage through these impending difficult budget times.

The 2017-2018 adopted budget reflects 83.1% for salaries and benefits with the remaining 16.9% of the budget covering other district costs. These costs include school budgets, programs, and other services to schools. Any increase in salaries and benefits granted at this time, will come from reserves, which will lower the reserve rate below the directed 12% level.

There is approximately \$2.5 million of unassigned reserves forecasted for the end of the 2017- 2018 budget. This would be the amount between the directed 12% and the policy level requirement of 8% and assigned reserves. Depending on the decision regarding the Fact Finders Report, the amount it could take to grant raises retro for 2016-17 and for 2017-18 would deplete the current amount of reserves below the 8%. Please note that the unassigned reserve serves as the cash flow for the district's payroll and accounts payable on a monthly basis. With the restrictions on the use of our TABOR reserves and the 8% policy restrictions, we may have to set up a borrowing relationship with the state to fund several of our monthly cash flow needs or have Board change the policy restrictions on the 8%.

Should the Board of Education, elect to spend reserves for salary and benefit increases, as the CFO, I am requesting the board provide direction and set forth priorities in order to develop a plan to rebuild the reserves. Since the Board of Education holds fiduciary responsibility for Pueblo City Schools, it is imperative that a solid plan be in place that builds the reserves to ensure long term sustainability.

In conclusion, as CFO, I am urging you against the use of any reserves for recurring expenses.”

#### **15.0 ADJOURNMENT**

There being no further business, the meeting was adjourned at 2:19 p.m.

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