

**DAVENPORT COMMUNITY SCHOOL DISTRICT
ACHIEVEMENT SERVICE CENTER
JIM HESTER BOARD ROOM
1606 BRADY STREET
DAVENPORT, IOWA**

**COMMITTEE OF THE WHOLE MEETING
NOVEMBER 4, 2013**

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met for the Committee of the Whole Meeting on Monday, November 4, 2013 pursuant to law. The meeting was held in the Jim Hester Board Room, Achievement Service Center, 1606 Brady Street Davenport, Iowa, in said District. President Johanson called the meeting to order at 5:00PM.

On roll call the following board members were present: Directors: Ralph Johanson, Rich Clewell, Bill Sherwood, Nikki DeFauw, Maria Dickmann, Jamie Snyder and Ken Krumwiede. Superintendent Art Tate and other administrators were also present.

1. Presentation on Bonding

Susanne Gerlach, Senior Managing Consultant from Public Financial Management conducted a presentation on bonding. Marsha Tangen and Scott Martin also participated. Ms. Gerlach provided a summary on the option of bonding and how this could help the district save money and move projects up on the timeline. Ms. Gerlach provided answers to questions the board members had previously. Gerlach explained a scenario for doing two bond issues at bank qualification level for 10 million a year for two years. One major advantage of bonding is being able to get the bond proceeds now and pay them back slowing over time which allows the district to complete projects much more quickly. In this scenario the district would receive approximately 19 million in bond proceeds over the next two years to move projects forward. They discussed the importance of only managing as many projects in a year's time that staff could handle. Board members asked Mr. Martin questions about the project and requested the figures on the actual savings amounts. Ms. Gerlach provided more details about the bonding process and explained the whole process would take 60 to 90 days and assuming a February closing date. Director Sherwood asked for more clarification as to what type of technology was included in the figures presented and the percentages relative to technology regarding bonding. Director Dickmann also asked about alternatives to including technology in the bonding amounts. President Johanson asked if the technology components included bandwidth and it was explained it did and he emphasized the importance of the district getting increased bandwidth. The superintendent will present his recommendation on bonding at the November 12th board meeting.

2. School Finance

Mr. Larry Sigel, partner, Iowa School Finance Information Services, provided an overview on school finances. His presentation included a basic primer on school finance, district specific information and a discussion on looking into the future. The general fund uses a child based formula that is set by the legislature and districts can only spend funds on allowable purposes. School districts have restricted funding sources and not all funds can be spent on anything the district decides. He emphasized the importance of the board understanding the restrictions on

spending authority which applies to the general fund. School districts must account for two things in their general fund: their fund balance and their spending authority which he compared to a credit card limit. He explained it is illegal for a school district to exceed their spending authority and the State Board of Education has the authority to close a school district for going into the negative on their spending authority. He reviewed the sources for funding a school district's spending authority, fund balance documents, and optional sources of authority in the general fund. President Johanson asked Mr. Sigel his recommendation regarding spending authority regarding our district. Sigel said that our district has to cut spending from the general fund in order to avoid going into the negative in spending authority. The good news is we are not currently in the negative, but this will not continue to be the case without budget cuts. There was continued discussion about spending authority and timelines. Director DeFauw emphasized the need for the district to identify sustainable budget cuts. Sigel noted that decisions about budget cuts will need to be made soon. President Johanson asked about the impacts of the Affordable Health Care Act and Sigel explained the impact relative to the number of employees that work 30 or more hours a week that do not currently receive insurance as well as some additional long term implications. Director Krumwiede asked about offering early retirement this year. Marsha Tangen said the district agreed not to offer early retirement this year and stated there would be a loss of creditability if offered again this year. There was continued discussion about the option of offering early retirement, another insurance holiday, and the financial impact of increased enrollment and how this affects spending authority.

3. Jefferson Edison Committee Report

Dr. Tate explained he will be making his recommendation on the Jefferson-Edison contract at the November 12th board meeting and the board will be taking a vote on November 25th. Mr. Schneden explained that he was charged with putting a committee together to explore the continued contract with Jefferson-Edison. They formed five subcommittees and staff from each subcommittee presented their key findings in the categories of student achievement, school finance, curriculum, stakeholders, history and demographics. Board members asked questions concerning compliance rates on homework, how they measure effectiveness, how the curriculum is aligned with the common core, parent participation and the business partnerships with the school, and proficiency level of students. Marsha Tangen provided a budget breakdown and discussed the amount of savings to district if the contract was not renewed. There were questions about why the bilingual component of the program was discontinued and staff answered questions and explained there are currently not enough students to have this type of program. It was noted the Harrison survey indicated parent and student satisfaction and Principal Pitts's outreach efforts to the community, but board members noted their concern with the lack of hard data on improvement in student achievement. Board members requested additional data on attendance rates, mobility rates, special education, rate of school suspensions, and RTI data. Board members expressed the appreciation to staff for the presentation and their efforts and look forward to receiving the information and data that has been requested information at the next board meeting. The meeting was adjourned by President Johanson at 8:00PM

Mary Correthers, Recording Secretary