

## **DAVENPORT COMMUNITY SCHOOL DISTRICT**

### **COMMITTEE OF THE WHOLE**

**May 3, 2010**

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, May 3, 2010, pursuant to law. The meeting was held in the Jim Hester Board Room, Administration Service Center, 1606 Brady Street Davenport, Iowa, in said District. President Zamora called the meeting to order at 5:40 PM.

On roll call the following board members were present: President: Patt Zamora, Directors: Richard Clewell, Ken Krumwiede, Larry Roberson, and Tim Tupper. Directors Nikki De Fauw, and Ralph Johanson were absent. Superintendent Julio Almanza and other administrators were present.

#### **IOWA ASSOCIATION OF SCHOOL BOARDS (IASB)**

Director Clewell, Harry Heilingenthal and Russ Wiesley from the IASB Board came to discuss what's been going on at IASB and to discuss new directions for the IASB. They are making an effort to go out to the districts and meet with various groups. Mr. Wiesley apologized on behalf of the IASB board for the current situation. It has been a difficult time for the organization, but they are working on rebuilding trust. They continue to provide board leadership training and lobbying efforts. Mr. Heilingenthal again stated that they are working to regain trust for IASB members and understands that their reputation has been hurt. The CEO, CFO and in-house counsel are no longer with the organization. An external advisor has been hired and is doing a forensic audit, which will be shared with others when it is completed. Positive steps are being taken to rebuild the organization to be purposeful to its members. They asked our board what we most need from IASB.

Director Tupper simply wanted to know what happened. Mr. Heilingenthal explained that when the CEO, Maxine Kilcrease, was hired the board did not do a sufficient background check. Once hired the CEO cut off communication between the staff, the auditors, and the IASB board. It now seems that the CEO may not have understood all the financial aspects involved and tried to cover that fact by not sharing information about financial situations. The organization's oversight was lacking and the board has realized that now. There was not a good transition plan when the previous CFO left and there was not a good grasp of the organization's financial situation. Mr. Heilingenthal explained the ways that governance failed. Examples were by being too trusting, by not interfacing with the auditors and by the board not exerting more presence in the organization. A committee has been appointed to see if the governance style of the organization needs changes. The FBI has looked at double-billing that occurred. The board self reported this and paid it back. The whistle-blower policies kicked in and an outside independent investigative firm was hired. The state is waiting on the audit before determining if they will be involved further. The government oversight committee has spoken to the board and they have cooperated fully. Director Tupper asked what problems existed before the new CEO was hired last year. It was explained that they knew they would be in a tough financial situation for the upcoming year. Looking back the board's oversight should have been more involved. Thus far there is no evidence that there was fraud or criminal actions before July 1, 2009.

IASB is set up so their non-profit organizational status is not at risk. They formed Local Government Services, which became the for-profit section of the IASB 4-5 years ago. Director

### 5-3-10 Minutes

Tupper asked if government money went into the LGS. Mr. Heilingenthal said he would have someone get back to the board with an answer.

Director Roberson stated he felt that there were red flags and the board did not see them and did not carry out their duties. He feels they had no control. Going forward what are they going to do differently. Mr. Heilingenthal said the previous administration has been replaced, the board has formed an audit committee that will meet quarterly with the external auditors to keep a closer eye on the financials, an external auditor will be used regularly, there will be a payroll/benefits committee so the board can have access to salaries, and a by-laws and governance committee has been formed.

Director Krumwiede stated that what we need from IASB is leadership training and lobbying. Those are the pieces that are most beneficial to local board members. With all the bad publicity, and the loss of good training people, how is the IASB going to entice all school districts to be a part of this organization. Mr. Wiesley stated that by meeting one on one with boards, by being truthful about what happened, and by helping to train boards to avoid these types of situations. They will come out with a clear game plan on how they can help local boards and use benchmarks to make sure they are on target with the plans. They will institute evaluations of their programs. President Zamora stated she's never been a big fan of IASB because they seem more interested in smaller districts. She agrees that it is a concern that some of their best people are now gone for training purposes. She heard they are cutting 5% for dues and she feels they should reduce it the same 10% cut that districts faced. Director Clewell emphasized that the training people mentioned who were let go were removed by the CEO, not the board.

Director Tupper asked about how the the sponsorship fees worked. An example is the playground tiles that are purchased by districts on IASB's recommendation. Mr. Heiligenthal stated that the question would be better answered by the auditors and that they are happy to have them contact Director Tupper. These sponsorship fees are a way the organization can make money and keep dues lower to members. Director Tupper asked about Larry Siegel. It was stated that a year ago he wanted to leave IASB and start his own business. He worked out a program where he would work out the basic services through IASB and be paid a stipend to perform those duties. IASB filed a lawsuit against him for not performing the duties as described in the contract. The suit has since been dismissed. Legal counsel can more fully answer the specifics of this question. IASB will continue to investigate all aspects of what has happened and do everything they can to earn the trust of the districts they want to serve.

### OPERATIONS UPDATES

#### Transportation Transition

The new manager for Durham has been assigned and Scott Martin has been meeting with him regularly. We are in the process of reviewing routes for efficiencies. High school bus waivers are being investigated as part of that study. The employee hiring fair was held in April with a tremendous turnout. They were impressed with our current employees and Mr. Martin would expect many, if not most, would be retained. A second hiring fair will be held at a later date. Director Tupper asked if there were any concerns about Durham's hiring practices. Mr. Martin stated he had not heard of anything. Director Tupper brought up a situation he became aware of concerning the process of getting a medical physical completed. Mr. Martin stated he would look into the concerns and follow up. Director Roberson expressed his hope that our current employees would be retained if they have been good employees in their current positions. Mr. Martin stated that Durham is taking that into consideration in their hiring process. Director Krumwiede asked if there are contractual or benefits changes for the employees. Durham management is meeting with the union representatives to work out the details. The new buses are being delivered soon and we are working out secure storage locations. June 10<sup>th</sup> is the scheduled day for Durham to begin covering routes. First Student will start moving their buses out June 9<sup>th</sup>.

#### DMA/Weiss

There are weekly meetings for planning purposes to make sure the plans make sense and there are several people involved in the process. They have looked at stairs, ramps, lead testing, and many

### 5-3-10 Minutes

other safety issues at these meetings. Director Roberson asked if the same services we currently have at CVW will be available in the new location. He also hopes that Ms. Schulte's advice is sought in the planning process. Mr. Martin stated the expectation is that all programs will be accommodated by the plans and Ms. Schulte has been an integral part of the planning process. Any concern of not having space for all programs is being dealt with at each planning meeting to ensure that all current programs are assigned spaces. A tentative timeline has been set to include bids being issued by September 1, 2010 with board approval by October 4, 2010. Construction should be completed by June 17, 2011. The current CVW lease expires August 31, 2011.

### RACE TO THE TOP

The board was given the new Memorandum of Understanding for the RTTT application. A summary of the 2<sup>nd</sup> application will be given to the board in the next packets. There has been very little change from the previous application. The positive reasons to sign on are stated as follows: schools are guaranteed at least 50% of the award money, the PLA requirement will not be required to those who sign on if they do not have any schools that are persistently low achieving, it will help Iowa to further its vision of reform and innovation to better meet the needs of students. Iowa identified 35 schools as persistently low achieving schools. 29 are intermediate or high schools and 6 are elementary. Davenport does not have any schools on this list. The state will receive approximately \$18 million with most of the money going to Tier 1 schools and Tier II schools will have significantly less money and be expected to achieve the same goals under the current plan. Director Roberson asked how this is different than the first time around. Mr. Almanza stated that in his opinion there is no difference. If we are to consider applying, May 14 would be the deadline. There is additional information on the Race To The Top website if more is requested. Director Krumwiede asked about what the other districts are thinking at this point. Mr. Almanza stated that there will be a conversation later this week on the topic. We have a good working relationship with our Teacher's Association and we may be able to work independently with them to achieve improved results. Iowa's current teacher evaluation system is based on the Iowa standards. Student achievement is not a current standard in that system. A current issue with this is how do you tie student achievement to a particular teacher? It is a complicated question. Director Tupper asked if we apply for this and we get it how much money would we get? Mr. Almanza stated that if all districts in the state apply and Iowa is successful, Davenport could receive approximately \$6.4 million. Director Krumwiede asked if the ISEA is supportive of the application. Mr. Almanza did not think so at this time, but he suggested speaking to someone from the organization to get the correct information. Additional information will be sent to the board on this topic and it will be on the agenda at the next meeting to determine if the board is interested in proceeding with the application.

### ITBS

Dawn Anderson-Rascher reported on preliminary reports for ITBS/ITED. Information is being sent to the buildings so they can see how their students performed. More analysis will be done as more data is available and more specific information will be given in September.

Director Tupper asked if this information was going to the schools a bit later than usual. Ms. Anderson-Rascher explained that due to a couple of changes in processing it is later than in previous years.

The meeting was adjourned by President Zamora at 7:55 PM.

---

Lynnette Carver, Board Secretary