

WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9
REGULAR GOVERNING BOARD MEETING MINUTES
October 6, 2016

BOARD MEMBERS PRESENT

Mr. Joe Maglio, President, Mr. Curtis Arnett, Member, Ms. Amy Brown, Member, Ms. Sandee Gill, Member, Mr. Daniel Scott, Member

BOARD MEMBERS ABSENT

None

OTHERS PRESENT

Dr. Howard Carlson, Erin Johnson, Lynn Greene, Derek Streeter, Bryan Lundberg, Randie Stein

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mr. Maglio called the meeting to order at 6:06 PM and led the Pledge of Allegiance.

ADOPTION OF THE AGENDA

Adoption of the Board meeting agenda for October 6, 2016

A motion was made to adopt the agenda for October 6, 2016, moving New Business Item 9-A, Vulture Mine Road Right of Way and Modifications of Intersections to take place following the Presentation.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

EXECUTIVE SESSION

The Board May Vote to Move into Executive Session Pursuant to A.R.S. 15-843(F) to Consider and Possibly Act upon the Hearing Officer's Recommendation to Expel Wickenburg Unified School District Students

A motion was made to convene into Executive Session.

Motion	Ms. Gill	Aye
Second	Mr. Scott	Aye
Vote	Mr. Arnett	Aye
Vote	Ms. Brown	Aye
Vote	Mr. Maglio	Aye

Motion passed 5-0.

Executive Session convened at 6:08 PM.

Regular Session reconvened at 6:18 PM.

Mr. Joe Maglio, Governing Board President, stated that the Board convened in Executive Session to consider the recommendation of the Hearing Officer to expel four Wickenburg Unified School District students. The Hearing Officer's recommendation of expulsion of all four students was approved by the Wickenburg Unified School District Governing Board.

PRESENTATIONS

Bryan Lundberg, Managing Director and Randie Stein, Director, of Stifel, Nicolaus & Company, Incorporated gave a presentation on Assessed Value / Tax Analysis for Wickenburg Unified School District (WUSD).

The presentation included information on overlapping tax rates, of which WUSD is just a portion, and is focused on the primary and secondary tax rate. Other entities include West-MEC, community college district, fire district, library district, Sun City Festival CDF, etc. Mr. Arnett asked what CFD stood for. Ms. Stein told him it stood for Community Facilities District.

The primary tax rate for school districts is relatively uniform across the state. The rate is mathematically calculated to generate sufficient funds to cover authorized/budgeted expenses. The secondary rate includes payments on bonds and overrides. Ms. Brown asked if the District received money from the feeder districts for the secondary tax rate. She was told no, the District receives tuition money for those students and the feeder districts receive the property taxes. She asked if the District had adjacent ways this year. Dr. Carlson told her no, the adjacent ways was paid off last year. Mr. Arnett asked if the District received enough money from the feeder districts, and expressed the thought that he felt it was.

Dr. Carlson asked if the homeowners rebate was still in existence. He was told yes.

Ms. Stein spoke of "Shifting", which occurs when the assessed value of a property, as a proportion of the assessed value of all property within the taxing jurisdiction, changes; not all property taxed is impacted by Shifting. Sources of Shifts include the change of assessed value with individual property, other property in taxing jurisdiction and taxing jurisdiction changes.

Assessed Value Changes Impacting WUSD Secondary Taxes and High School Primary Taxes

–Assessment ratios

- Commercial declined from 25% to 18% since FY 2006 (28% reduction overall)
- Owner residential remained at 10%

–Property value

- Commercial increased 37% in past 10 years; Assessed Value increased only 1%
- Owner residential increased 45% in past 10 years; Assessed Value increased 44%

Ms. Brown asked why the commercial tax rate was going down. She was told because state laws are changing.

Prop 123 has two components. The first component, Supplemental State Aid, provides \$50 million statewide pre-appropriated through fiscal 2025 for an average of \$45 per student. These funds will come from the state with no tax impact at district level. The second component, Permanent Base Level Expenditure Budget Increase, will increase the base amount to approximately \$226 per student. Non-state aid districts will see an increase in the tax rate to cover the cost. Wickenburg is a non-state aid district, but only at the high school (9-12) level.

Wickenburg Unified School District Tax Impact related to Prop 123 is 4 cents annually. The tax rate for FY 2016/2017 is 8 cents, as the tax rate includes impact for both FY 2015/2016 and FY 2016/2017. It will go back to 4 cents annually after FY 2016/2017.

A primary tax levy is a known dollar amount (fixed number), while a bond levy has a schedule of amounts to be paid off. A chart was presented to show that the combined bond payments are above or about equal to bond payments in WUSD's existing bonds. It is fair to say taxes will be the same or lower for bonds in future. The average tax rate over the last 10 years has been approximately \$1.04 to meet payments of bonds. The projected average tax rate is \$.87 cents per \$100 per assessed value.

Dr. Carlson asked Mr. Lundberg what the limit on assessed values would be moving forward. Mr. Lundberg told him with Prop 17 passing, all taxes, including bonds and overrides, will be based on limited assessed values. Existing properties will be limited to growing to no more than 5% a year. There is no floor, so assessed values can fall as much as they will. New properties have no growth limit. The Assessor will still keep track of unrestricted growth on assessed value. Limited value, if property values do not reduce, can grow 5% a year. Some properties have not grown 5%, so an average of growth is reflected in the presentation. Mr. Scott commented he liked that it had been played conservatively. New growth will positively impact the tax rate.

OLD BUSINESS

Vulture Mine Road Right of Way and Modification of Vulture Mine Road/Aircleta Intersection

At the June 7, 2016 Governing Board Meeting, Mr. Arnett requested the Board to submit a letter to the Town of Wickenburg addressing two tracts of land at Wickenburg High School and Vulture Peak Middle School, with the possibility of a right of way being established and ownership being transferred from Wickenburg Unified School District to the Town of Wickenburg. Since that time, the parcels have been surveyed and a transfer of right of way ownership to the Town of Wickenburg has been proposed. In addition, a License Agreement (permanent encroachment agreement) is required to enable existing school monument signage to remain undisturbed.

The Town of Wickenburg conducted a survey of the intersection of Vulture Mine and Aircleta Roads.

The scope of work is proposed as follows:

1. Abandon existing crosswalk at Aircleta Rd.
2. The Town will install Flashing Lights that are push button activated for both day and night crossing.
3. The Town will install an ADA Handicapped Ramp
4. The Town will install steps up from the wash walkway to the Vulture Mine Road sidewalk. The estimate is between \$700 and \$900.
5. The Town will install new curb, gutter, and turnout for cars on Vulture Mine Road.

Mr. Bill Moran, Director of Maintenance, gave a PowerPoint presentation showing the changes that will take place near Vulture Peak Middle School and Wickenburg High School. In addition to the above, discussion is underway to pave a student walkway and forming an alternate student walkway.

Ms. Gill asked if the stakes shown in the pictures would be the new road. She was told yes. She asked about the possibility of snakes in the wash. Mr. Moran told her an area of the wash has already been cleaned out, which will help with prevention. He also commented as snakes have been found on the Vulture Peak Middle School campus, there is a need to teach people to be aware of the possibility.

Ms. Brown commented she would like to see the sidewalk completed soon because of rain; kids track mud into their parent's vehicles. She also commented the crosswalk being abandoned is only used by certain kids who have to cross Vulture Mine Road at some point. She talked to Town about this and they may look at a crosswalk at Val Vista in the future. Dr. Carlson stated he had spoken with Mr. Wright and this issue will be studied.

Mr. Arnett commented the Town of Wickenburg had spent a lot of money on this survey. There are now stakes in place, which were shown on the drawing. He put forward the idea of possibly excavating around the stakes to secure them with concrete or concrete block, making the stakes permanent. This would help if the need ever arose to know where the property lines are located in the future. This would be a fairly inexpensive thing to do and might save money in the long run. Mr. Moran said he would check with the Town on this possibility.

Mr. Arnett expressed support for the idea of students being able to safely walk on a sidewalk all of the way to the school. He expressed his appreciation for the work and effort put into the project.

A motion was made that the Board approve the Warranty Deed transferring ownership to the Town of Wickenburg and that the Board grant authority to the Superintendent to sign the following documents: (1) The Warranty Deed transferring ownership of Vulture Mine Road right of way from the District to the Town of Wickenburg as described in the Exhibit A documents accompanying the Deed and (2) The License Agreement in the matter of the District's monument sign's encroachment into the right of way.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

RECOGNITIONS/PROCLAMATIONS

This is a time set aside for any recognition the Board or the Superintendent may wish to make to an individual, group or organization for services and/or contributions made to the District and/or allowing an opportunity for the Board to recognize groups or individuals publically by issuing of a proclamation in recognition of events and/or persons for special occasions. There were no recognitions or proclamations.

Mr. Maglio called for a brief recess at 7:23 PM.

The meeting reconvened 7:30 PM.

CALL TO THE PUBLIC

There was no response to the Call to the Public.

FINANCIAL REPORTS

The financial reports include a monthly summary of business accounts, which include a detailed Operating Statement with encumbrance for the Maintenance & Operation Budget, Unrestricted Capital Account, Soft Capital Account, and Cash Controlled Funds-Expenses; a summary payroll and expense vouchers; a detailed summary of credits, debits and expenditures for all student activity accounts and all student auxiliary accounts for the period stated.

- A. Business Account Summaries as of September 30, 2016
- B. Payroll Voucher Summary for the amount of \$698,114.32
- C. Expense Voucher Summary for the amount of \$349,541.84

Mr. Arnett asked Ms. Johnson if the budget balances were positive, the cash balances were positive, if the District was in compliance, if the District was solvent, and was there anything that would question the Board's stewardship.

Ms. Johnson told him yes, the budget balances are positive. The cash balances are not positive at this time. The FY15-16 tax rate was not set high enough to cover that year's budget. In analyzing the cash balances at the end of 15-16, the tax rate was adjusted for the 16-17 year to eliminate the deficit cash balance. The District is in compliance and solvent, and there is nothing that would question the Board's stewardship.

A motion was made to approve the Financial Reports, as submitted.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

CONSENT AGENDA

A. Governing Board Meeting Minutes

1. Study Session Minutes for September 8, 2016
2. Regular Board Minutes for September 8, 2016

B. Personnel

1. Approval of New, Restructured and/or Revised Positions
2. Personnel Action Reports
3. Substitute Teacher Approval

C. Curriculum

1. Cambridge Textbook Approval – Honors Biology and Honors World History

D. Travel

1. Vulture Peak Middle School and Festival Foothills Elementary School Catalina Trip

E. Donations

1. Festival Foothills Elementary School, Ms. Julie Case, Principal
 - a. Donation of Office Supplies and Medical Defibrillator by The Sun City Festival Sage Center
 - b. Donation of Soccer Balls from Rick and Pat Sontheimer
 - c. Donation of School Supplies from the Caring Neighbors Group

Mr. Arnett requested Consent Agenda Item D-1 - Vulture Peak Middle School and Festival Foothills Elementary School Catalina Trip, be pulled for further discussion.

A motion was made to approve the Consent Agenda for October 6, 2016, with the exception of Consent Agenda Item D-1, Vulture Peak Middle School and Festival Foothills Elementary School Catalina Trip.

Motion	Ms. Brown	Aye
Second	Mr. Scott	Aye
Vote	Mr. Arnett	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye

Motion passed 5-0

Consent Agenda Item D-1 - Vulture Peak Middle School and Festival Foothills Elementary School Catalina Trip

Mr. Arnett expressed the hope that anyone wishing to go to Catalina would not be prevented from going because of lack of funds. He was told this is a tax credit club and students who wish to go and cannot afford it can be helped.

A motion was made to approve Consent Agenda Item D-1, Vulture Peak Middle School and Festival Foothills Elementary School Catalina Trip.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0

Second Reading of Policy Advisories

1. Policy EBAA – Report of Hazards/Warning Systems
2. Policy JICI – Weapons in School

A motion was made to approve the second reading of Policy Revisions for Policy EBAA – Report of Hazards/Warning Systems, Policy JICI – Weapons in School.

Motion	Ms. Gill	Aye
Second	Mr. Arnett	Aye
Vote	Ms. Brown	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

Policy KFAA – Smoking on School Premises at Public Functions

Mr. Maglio stated he would like to see Policy KFAA stay as it currently is instead of deleting it as recommended by ASBA. Ms. Brown agreed with him, stating the Board can react within a month if something new is being used by kids at school. This can be done within 24 hours with an emergency meeting if needed. Mr. Arnett asked what would happen if the Board did nothing. Dr. Carlson said the Board should take an affirmative stance on the issue.

A motion was made to approve retaining Policy KFAA – Smoking on School Premises at Public Functions, as currently adopted.

Motion	Ms. Brown	Aye
Second	Mr. Scott	Aye
Vote	Mr. Arnett	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye

Motion passed 5-0.

Revised FY16 M&O Budget

Page 1 of the FY16 Budget was not properly updated to reflect the revenue from Prop 123 resulting in loss of budget capacity. There is an increase in the M&O budget capacity of \$69,926. This amount was not accounted for. Upon approval of the FY 2016 revised budget, the District will submit a 15-915 budget adjustment request to ADE for FY2016.

A motion was made to approve the third revision of the Annual Expenditure Budget for FY 2016, as submitted.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

NEW BUSINESS

Scheduling of a Teleconference Meeting to Approve the Annual Financial Report FY2016 for Thursday, October 13, 2016 at 9:00 AM.

Administration is requesting the scheduling of a teleconference meeting to be held Thursday, October 13, 2016 at 9:00 AM to approve the Annual Financial Report FY 2016.

A motion was made to approve Scheduling of a Teleconference Meeting to Approve the Annual Financial Report FY2016 for Thursday, October 13, 2016 at 9:00 AM, as submitted.

Motion	Mr. Scott	Aye
Second	Ms. Brown	Aye
Vote	Mr. Arnett	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye

Motion passed 5-0.

ITEMS FOR FUTURE AGENDAS

- ❖ Financial Calendar
- ❖ Accounting of Tax Credit monies
- ❖ A comprehensive picture of how much money and assets the Board is responsible for, where it comes from and where it goes
- ❖ Update on Skoolive

ANNOUNCEMENTS, CALENDAR

ADJOURNMENT

A motion was made to adjourn the meeting.

Motion	Mr. Arnett	Aye
Second	Ms. Brown	Aye
Vote	Ms. Gill	Aye
Vote	Mr. Maglio	Aye
Vote	Mr. Scott	Aye

Motion passed 5-0.

Meeting was adjourned at 7:50 PM.

ATTEST: _____

Mr. Joe Maglio, Board President