



Denver Public Schools
Professional Compensation System for Teachers

ProComp

MEETING MINUTES

ProComp Trust Board of Directors FY18 Meeting #3

Wednesday, Feb 21st, 2018
5:30 – 7:00 pm
Emily Griffith Campus (EGC)
1860 Lincoln St., Denver, CO 80203
11th Floor – Conf. Room 1135A or
(720) 423-7777 Conf ID: 590349

In Attendance (in person): Scott Murphy, Erik Johnson, Tom Buescher, Lisa Flores

In Attendance (via conference call): Lawrence Garcia, Mark Ferrandino, Ceci Miller

Others: Chris Kampe, Cara Sterling

Called to Order: 5:40 pm

Action Item: Approve Prior Meeting Minutes

November 14th, 2017 Minutes

Motion to approve minutes as provided in meeting materials.

1st: Garcia

2nd: E. Johnson

Voice Vote: All approve except Flores who abstains - Passes

Discussion Item: GASB Standard – Statement 84: Impact to ProComp Trust

Sterling: New statement released by GASB (Gov't Acct Standards Board) regarding fiduciary treatment. The ProComp Trust has been treated as a blended component unit. Under current treatment as blended component unit, the Trust can use the District's state interest free loan program and Trust can use District employees. The concern was auditors may require the Trust to be considered a Discrete Component Unit. This would be a big deal for the Trust by impacting the interest free loan and Trust employees. The auditor is currently working through the details. I met with District accounting (Samantha Gallagher and Selam Habte) and looked at what it means to be a Section 115 Trust and how that may help. Sam took this back to the auditors and is waiting to hear back for confirmation. If they come back and have questions, I will continue to be involved. This would potentially mean an amendment to the Trust Agreement will be needed.

E. Johnson – To provide some background for non-accountants or lawyers – we have different funds. The General Fund is separate from Food Services for example to track their separate revenue. If this changes from being a Blended Component Unit, we would not be able to utilize

the State Interest Free Loan Program to leverage cash flow before tax revenues come in. If the auditors come back with concerns, we will ask to change some language in the Trust Agreement to accommodate it. This would not change any function of how the Trust works.

Buescher: Who's auditors are we talking about?

E. Johnson: Both District's (BKD) and Trust (CLA)

Buescher: When you say "we", who are you referring to?

E. Johnson: I am referring to the District when talking about use of funds for accounting.

Murphy: Does the Trust have the ability to access funds directly?

E. Johnson: No, the District / Trust use a due to / from account with the District to facilitate this.

Discussion Item: ProComp 3.0 Bargaining Update

E. Johnson: We have two more bargaining sessions coming up. We've done some really good work regarding where we want to go with lots of work still to come. We are putting out a survey to teachers in order for them to update their education levels. Because of how we do ProComp, the District does not keep track of how someone moves across the lane schedule so we don't have an idea of where everyone would fall on a pure step and lane schedule. After receiving this, we'll have another week to model. Goals are to adhere to ballot language, be transparent and clear to teachers so they can understand decisions they make and how that impacts their compensation. We've made a lot of good progress but don't have any decisions if this is what we will or will not do.

Buescher: Lawrence, do you have anything to add to that?

Garcia: No, I do not.

Buescher: I understand you are currently on an extension.

E. Johnson: Yes, the extension expires in 21 days.

Buescher: As chairman of this board, I encourage you to get an agreement, or if not, get another extension.

E. Johnson: We had a long talk with DCTA. I think on both sides, there is no desire to let the ProComp Agreement lapse and lose revenue. There is also a desire to not negotiate for the next 7 years non-stop.

Miller: When do we think that you will know? When is the last bargaining session?

E. Johnson: March 14th is being considered a marathon bargaining session since the extension expires March 15th.

Buescher: If for some reason an agreement cannot be met, can you notify me right away so I can call Cara (Trust legal counsel)?

Flores: I'm working to understanding the structure a bit more. It sounds like the worst case scenario, you would communicate with Tom. My assumption is Erik would communicate to the board as a whole and then Tom would act as chair to work with legal.

Buescher: Correct.

Discussion Item: Future Agenda Items

- FY19 Budget – Proposed Assumptions from Transition Team
- Review Future Meeting Placeholders:
 - Wednesday, April 25th, 2018

Adjourned: 6:00 pm