



Denver Public Schools
Professional Compensation System for Teachers

ProComp

Teacher Compensation Trust Board of Directors

MINUTES

April 23, 2008

MEMBERS IN ATTENDANCE: Andree Hall, Chair, Velma Rose, Vice Chair, Jerry Graves, Mark Harmon, Lee White and Tom Buescher (by phone).

STAFF IN ATTENDANCE: Brad Jupp, Senior Academic Policy Advisory; Henry Roman, Transition Team Co-Chair; Mary Brauer, Trust Attorney; and Bria Cunneen, ProComp Team

I. Review and Approve Agenda

Velma Rose made the motion to approve the agenda. Mark Harmon seconded the motion. Motion carried.

II. Approve March 18, 2008 meeting minutes

Jerry Graves moved to strike the first paragraph under Information Item III from the draft minutes. Mark Harmon seconded the motion. Motion passed. The paragraph will be deleted and the approved notes will be posted online.

Action Items:

I. External Evaluation Recommendation & Funding (Henry Roman)

Henry Roman, the co-chair of ProComp's Transition Team, presented the team's recommendation for the external evaluation of the ProComp program. This evaluation is required by the ProComp Agreement and is to be completed and presented to the Board of Education, DCTA and the Trust Board in November 2009.

The process for selecting an external evaluator for the ProComp program was reviewed. This included outlining the process for requesting proposals, reviewing proposals, scoring proposals, selecting finalists and scoring the finalists. The selection committee recommended the team from CU-Denver for the project and the Transition Team approved this recommendation. The Trust Board was asked to approve the funding of the external evaluation by CU-Denver. Tom Buescher asked Mary Brauer if the Trust document provided for such funding by the Trust and she said it did.

Mark Harmon made the motion to approve the funding for the external evaluation of the ProComp program; Jerry Graves seconded the motion. The motion carried.

II. ProComp Trust Fund Board Roles & Responsibilities (Mary Brauer)

Out of her own concern for the Trust Board, Mary Brauer reviewed a memo that she drafted outlining the need for refinement and clarity with regard to the Board's roles and responsibilities. She noted several instances of vague language and the need for more guidelines to allow for protection for the Board and its actions. She understands that this will require more conversation but is asking for clarification from DCTA and DPS, through refinement of the ProComp Agreement, on phrases such as "shall maintain," "provide reports," "restriction of the transfer of funds," and "reasonable administrative expenses."

The Board discussed the effects of changing administrations with different goals for ProComp. These fluctuations in leadership also point to the need for guidance and clarification for the responsibilities of the Board as the program changes. It was also noted that with possible program modifications, the Board's investment strategy may need to be amended. To this point, Lee White asked that time period adequacy regarding obligations be addressed.

As the ProComp Agreement is currently open for negotiation, the Board asked Mary to draft a statement to the two bargaining teams' co-chairs to ask for clarification regarding the Board's roles and responsibilities. It was also suggested that as the bargaining teams have set May 1st as a target date for reaching a negotiated agreement, that this more involved topic be addressed in interim negotiations. As such, Brad Jupp volunteered to assist Mary with the process and Mary will be contacting Shayne Spalten and Rob Gould, co-chairs of the bargaining teams, with a memo on behalf of the Board.

Velma Rose made a motion to direct Mary Brauer to draft a letter to the co-chairs of the bargaining teams, asking for clarification through the ProComp Agreement with regard to the Trust Board's roles and responsibilities. Lee White seconded the motion. The motion carried.

III. Fiscal Model Funding Update (Brad Jupp)

Eli Kennedy, Associate Director at The Broad Foundation, joined the meeting via conference call to discuss the intention of the foundation to assist in the funding of the McKinsey Fiscal Model, with the understanding that the foundation would retain a copy of the model to share with districts interested in implementing a system similar to ProComp. He explained the desire of the foundation to share the knowledge learned in different school districts across the country to enable administrators and educators to learn from each other and capture knowledge—without having to recreate projects.

The model would be unpopulated with DPS data and would be used as a model, to further the goals and mission of The Broad Foundation.

The Board agreed that the contract with Broad would be acceptable with changes made to the text of the agreement, section 17 Intellectual Property. The text will be replaced, sent to Eli Kennedy to review with The Broad Foundation's counsel and returned to the Trust Board for approval.

IV. Representation of the ProComp Trust at the quarterly DPS investment meetings (Velma Rose)

Velma Rose received a request from the Board's investment advisor for a meeting to discuss the first quarter 2008 performance and the future portfolio strategy. The question of who should attend these quarterly meetings was discussed and Mary Brauer suggested not to delegate this responsibility, as the ability to prudently manage the fund's assets is a central role of the Board. Lee White agreed that the Board must pay attention to the investment activity and strategy and suggested vesting a couple members with the duty to attend the meetings and report back to the larger Board. He volunteered for the sub-committee; Velma Rose and Jerry Graves also volunteered.

Velma Rose made a motion to form an investment committee composed of herself, Lee White and Jerry Graves, to meet quarterly with the investment advisor and report back to the Trust Board. Mark Harmon seconded the motion and the motion passed.

V. Approval of invoices (Velma Rose)

Velma Rose made the motion to allow for the approval of invoices less than or equal to \$15,000 by either the Chair or Vice Chair of the Trust Board. Andree Hall seconded the motion.

*Mark Harmon suggested amending the prior motion by stipulating that **budgeted expenses** less than or equal to \$15,000 would require one signature for approval.*

Velma Rose amended her motion, stating that invoices for budgeted expenses less than or equal to \$15,000 can be approved by either the Chair or Vice Chair. Tom Buescher seconded the motion.

Jerry Graves suggested amending the prior motion by adding the Secretary as a signer for invoices over \$15,000, stating that two signatures are required for the approval of invoices over \$15,000, from among the Chair, Vice Chair or Secretary. Mark Harmon seconded the motion. The motion, one signature for budgeted expenses less than or equal to \$15,000—either the Chair or Vice Chair—and two signatures for invoices greater than \$15,000—combination of the Chair, Vice Chair or Secretary, carried.

Information:

I. Discuss aspects of the Trust Board By-Laws (Andree Hall)

A. Proxy issue (Mary Brauer)

B. Executive session

C. Quorum

This item was previously addressed and was not included in discussion of the Board.

II. Investment implementation status: CO/IL state law conflict (Mary Brauer)

This issue has been resolved—the IL law in question was suspended due to pending litigation—and also does not need to be addressed.

III. March 2008 Financial Statements (Velma Rose)

Velma Rose reviewed the year-to-date balance sheet, income statement, investment report and cash flow statement with the Board. The investment report reflects investments made pursuant to the strategy outlined by the Board and shows a first month loss of approximately \$100,000. Velma also reviewed the upcoming wire transfer schedule and stated that she has been working closely with the investment advisor, directing the firm's actions based on the Board approved investment strategy.

IV. Future Agenda Items

A. Approve the appointment of the Trust Board's auditor (Velma Rose)

B. Discussion of the third party's role in evaluating administrative expenses (Mark Harmon)

C. Review of delineated administrative costs to support ProComp (Kathy Kochis)

D. Adopt a budget for 08/09, prior to District adopting a final budget (Velma Rose)

E. Consideration of hiring staff (2) for the Trust Fund (Velma Rose)

F. Present the revised Broad Foundation contract for approval (Kathy Kochis)

Next Meeting Dates: May 21, 2008 and June 18, 2008

Tom Buescher made the motion to adjourn the meeting. Mark seconded the motion and the motion passed.