



Denver Public Schools
Professional Compensation System for Teachers

ProComp

Teacher Compensation Trust Board of Directors

M I N U T E S

April 19, 2006

The meeting began at 4:58pm. All Board members were present except Kevin Patterson.

- I. Review and Approve Agenda
 - Rich Allen made the motion to approve the agenda. Tom Buescher seconded the motion. All present approved - **Motion passed.**
- II. Review and Approve Minutes of March 15, 2006 Meeting
 - Lee White requested that the list of the Board members present be reflected in the minutes. Rich Allen made the motion to approve the minutes as amended. Jerry Graves seconded the motion. All present approved, except an abstention by Tom Buescher who was not in attendance at the May 15, 2006, meeting - **Motion passed.**
 - Tom Buescher made the motion to require the minutes of future meetings contain sufficient detail to provide the reader an understanding of any decisions made by the Board. Rich Allen seconded the motion. All present approved - **Motion passed.**
- III. Administrative Services Agreement between DPS and the ProComp Trust: *Mary Brauer, Trust attorney*
 - a. Review the draft Agreement – *Information*
 - Mary Brauer reviewed the draft Agreement. This Agreement in its final form will be on the May 17, 2006, meeting for action.
 - In response to section 5.3 of the Agreement, Mary Brauer was directed to present at the May 17 meeting a draft of the IRS private letter ruling request for Board action.
 - In response to section 7.3 of the Agreement, Velma Rose was directed to recommend at the May 17 meeting what Trust documents should be retained in safekeeping for the Trust Board. At the request of the Board, Velma Rose will obtain a cost estimate for a scanner to be used to archive these documents on an electronic medium. By June, Velma Rose is to obtain the District's Technology Disaster Recovery Plan with respect to the back-up and recovery of other critical information housed on TM1 (ProComp Fiscal Model) , Lawson (Payroll and HR) and Cayenta (Financial).
 - In response to section 9.2 of the Agreement, Velma Rose was directed to obtain the District's Certificate of Insurance with respect to its liability insurance coverage.
- IV. ProComp Project Updates: *Rich Allen and Velma Rose*
 - a. Pro-Com Opt-Ins and New Hires –*Information*

- Rich Allen stated that approximately 1400 or one-third of the bargaining group have either opted in via the two opt-in windows or are new hires. The number from the first opt-in was greater than expectations and that from the second opt-in was close to expectations.
 - Rich Allen was directed to present at the May 17 meeting a disaggregation of the pro-comp member data
- b. Fiscal Model Status – *Information*
- Velma Rose stated that the Fiscal Model development team was working on the methodologies for projecting the behavioral aspects of future pro-comp employees and related traditional comp characteristics. In addition, work was progressing on data clean-up, the loading of second opt-in data and identification of traditional comp placement for new hires. The team is still on track to complete the model by June 2006.
- c. HB 1287 Status – *Information*
- Velma Rose apprised the Board that HB 1287 was enacted and signed by the Governor. It will go in effect August 9, 2006, at which time the Trust will be exempted from the investment restrictions placed on local governments.
- V. Fiduciary and Liability Insurance – Proposed Amendments: *Velma Rose and Mary Brauer*
- a. Review Proposed Fiduciary Insurance Coverage Documents – *Information*
- Mary Brauer reviewed the concerns she had with respect to the provisions in the coverage documents proposed by Travelers Insurance and raised the question as to whether Travelers understood the nature of the Trust and the Trust Board’s responsibilities.
 - Velma Rose was directed to schedule a meeting between Mary Brauer, the District’s insurance broker, the District’s Risk Manager and representatives from Travelers and report back at the May 17 meeting to review coverage needs.
 - In addition, Velma Rose is to report back on May 17 what other insurance providers were approached for bidding fiduciary coverage for the Trust.
 - In the mean time, Mary Brauer was directed to confer with endowments and foundations as to the structure of their fiduciary insurance coverage.
- VI. Cost of Fiscal Model Licenses for DPS and DCTA: *Velma Rose*
- a. Review Cost Information of Various Licenses – *Information*
- Velma Rose stated that the District had purchased a production server license and five concurrent user licenses and that there was a need for a test server license to ensure production data is not corrupted when modifications to the Model are installed and an architect license to support future design changes to the Fiscal Model. Rich Allen recommended that the architect license be purchased by the District as it can be used to support other applications on TM1 and that the Trust purchase the test server license. A motion was made by Tom Buescher for the Trust to approve the purchase of the test server license. Lee White seconded the motion. All present approved - **Motion passed**.
 - Mary Brauer was directed to include in the Administrative Services Agreement between DPS and the ProComp Trust the requirement that the District obtain approval from the Trust Board to give limited functional and time access to the Fiscal Model to the DPS and the DCTA bargaining teams.
 - In the future, after the Fiscal Model is in production, Velma Rose was directed to include in the billing of administrative services to the Trust the portion of the cost of the user licenses based on the use of TM1 for the Fiscal Model.
- VII. Financial Report as of March 31, 2006: *Velma Rose*
- a. Review March 31, 2006, Financial Report – *Information*
- Velma Rose reviewed the financial report content and format. Velma Rose was directed to produce this report in the future on a monthly basis.

VIII. Report to the Negotiating Teams about the Status of the Trust – *Rich Allen*

a. Reporting deadlines– *Information*

- Rich Allen stated that the first report from the Trust Board to the negotiating teams on the Status of the Trust was due December 31, 2005, prior to the establishment of the Trust Board. The second report is due July 1, 2006. As the Fiscal Model is scheduled to be complete in June, the 50-year projections would not be available until July. Rich Allen was directed to discuss this matter with Brad Jupp and have Brad draft a letter to the negotiating teams that the July 1 report will be late but that the next December 31 report will be submitted on time for the 2007 bargaining process.

IX. Calendar

- a. Andree Hall stated that the next Trust Board meetings will continue to be on the third Wednesdays of the month, which for the next four months would be May 17, June 21, July 19 and August 16. Lee White indicated he will be out of town May 17 and Velma Rose stated that she will be out of town July 19.

The meeting was adjourned at 6:20pm.