



Denver Public Schools
Professional Compensation System for Teachers

ProComp

Teacher Compensation Trust Board of Directors

MINUTES

June 21, 2006

The meeting began at 4:30pm. Of the Board of Directors, present were Andree Hall, who presided, together with Richard Allen, Jerry Graves, Doug Tucker, Tom Buescher, Kevin Patterson, Velma Rose, and by phone was Lee White. Also in attendance was Mary Brauer, Trust attorney.

- I. Review and Approve Agenda
 - Requests were made by Board members to add IRS Response to Private Letter Ruling Request as Agenda item number VIII; add Doug Tucker's Resignation to the Trust Board as Agenda item number IX; add the 2006-2007 Trust Budget as Agenda item number X; and to combine Agenda items number V and VI. Tom Buescher made the motion to approve the Agenda as amended. Rich Allen seconded the motion. All present approved - **Motion passed.**
- II. Review and Approve Minutes of May 17, 2006 Meeting
 - Tom Buescher requested that in the 3rd bullet after item V.a. that "with the additions noted above" be inserted after "Administration". Rich Allen made the motion to approve the minutes as amended. Tom Buescher seconded the motion. All present approved - **Motion passed.**
- III. Financial Report as of May 31, 2006: *Velma Rose – Information*
 - Velma Rose reviewed the revenues and expenditures through May 31, 2006, and the balance sheet as of May 31, 2006.
 - Ms. Rose pointed out that (1) the payroll and benefits expenditures include the credit buy out for teachers in the first opt-in window, (2) the Trust scanner had been received and that the District would be scanning the Trust Board documents as planned, (3) the invoice for the Fiduciary Insurance premium had just been received, and (4) that a Phase IV of the Financial Model development will be brought forward to the Trust Board for action in July, to include the costs for final testing, documentation and the cash flow functionality.
- IV. Letter to the Negotiating Teams: *Rich Allen – Action*
 - Rich Allen reviewed a draft of the letter regarding Financial Stability of the ProComp Trust addressed to the DPS Bargaining Team and the DCTA Bargaining Team. This communication from the ProComp Trust Board is a requirement of the ProComp Agreement between DPS and DCTA. Changes to the draft were identified. Tom Buescher made the motion to approve the letter as amended. Jerry Graves seconded the motion. All present approved - **Motion passed.**

- Rich Allen stated that he would circulate a revised version to the Board for affirmation prior having the Chair and Vice Chair sign and send the letter.
- V. Authority for Approval of Month End Payroll and Expenditures Up to a Limited Amount: *Velma Rose – Action*
- Andree Hall reminded everyone that she would be out of town the next two weeks and recommended that action be taken relative to signature approval of expenditure of Trust Fund monies and the signing of ProComp Trust documents when either the Chair or Vice Chair of the Board is unavailable.
 - Velma Rose recommended the following language for a motion: If either the Chair or Vice Chair is unavailable, only one of these two individuals will have signature authority to approve reimbursing DPS for the actual amount of ProComp mill levy share of month-end payroll, approve other ProComp expenditures not to exceed \$50,000, and sign documents on behalf of the ProComp Trust Board. Such actions will be reviewed within a reasonable period of time after the absent Chair or Vice Chair becomes available. Rich Allen made the motion to approve this action. Kevin Patterson seconded the motion. All present approved - **Motion passed.**
- VI. Deleted
- VII. District Technology Recovery Plan: *Velma Rose – Information*
- Velma Rose distributed the District Technology Recovery Plan, as required in the Administrative Services Agreement between DPS and the ProComp Trust Board. Ms. Rose stated that, as it pertains to the ProComp Trust, the District's Department of Technology Services backs up nightly the Cayenta Financial, the Lawson HR/Payroll and the TM1 ProComp Fiscal Model data.
- VIII. IRS Response to Private Letter Ruling Request: *Mary Brauer – Action*
- Mary Brauer discussed the response she received from the IRS to the ProComp Trust Board's Private Letter Ruling Request. In order to issue a favorable ruling, which would assure the tax exempt status of the ProComp Trust, the IRS requested that additional restrictions be placed in Section 11.2 (Procedure on Termination) of the ProComp Trust Agreement relative to the distribution of assets upon dissolution of the Trust.
 - Rich Allen moved approval of the addition of the following sentence to the end of the ProComp Trust Agreement Section 11.2: "If any assets remain in the Trust upon dissolution of the Trust, those assets may in no event be distributed to any person or entity other than an organization the income of which is excluded from gross income under Internal Revenue Code section 115 (I)." Doug Tucker seconded the motion. All present approved - **Motion passed.**
 - Mary Brauer will share this language with the IRS and, if so accepted, will result in an amendment to the ProComp Trust Agreement for future action by the ProComp Trust Board, and ratification by the DCTA and the DPS Board of Education.
- IX. Doug Tucker's Resignation to the Trust Board: *Velma Rose – Information*
- Doug Tucker stated that he has accepted the position of Assistant Principal for Rachel B. Noel Middle School effective July 1, 2006, and has so notified the DCTA President of the need for her to appoint someone to serve the remainder of his term on the ProComp Trust Board.
 - Andree Hall stated that on behalf of the ProComp Trust Board she was sorry to see him leave the Board and wished him the best on his new job.
- X. 2006-2007 Budget: *Velma Rose – Action*
- Velma Rose informed the Board that she was awaiting information relative to those teachers who elected to be compensated under ProComp in the second opt-in window. This data is critical for the formulation of the expenditure estimates for the 2006-2007 ProComp Trust budget.
 - Ms. Rose stated that it was her goal to have this budget prepared in time for ProComp Trust Board action at their August meeting. In the meantime, action is needed to continue the six-month ended June 30, 2006, budget to the six-month period beginning July 1, 2006. Tom

Buescher made the motion to approve such continuation. Rich Allen seconded the motion. All present approved - **Motion passed.**

XI. Future Agenda Items: *Velma Rose – Information*

- Brad Jupp – to follow up with the DCTA President on the appointment of someone to serve the remainder of Doug Tucker's term on the ProComp Trust Board.
- Rich Allen – to identify the ProComp pay elements that would affect teacher compensation for contract year 2006-2007.
- Rich Allen – to bring a proposal from Carpe Datum for Phase IV of the Fiscal Model to the July meeting for action.
- Mary Brauer – to report on the IRS response to the suggested amendment to the ProComp Trust Agreement.
- Rich Allen – to bring disaggregated data pertaining to the teachers who participated in the first and second opt-in windows, once such data is available.
- Andree Hall, Rich Allen, and Velma Rose to select and interview firms for the fiscal year ended June 30, 2006, financial audit and to bring a recommendation for appointment of the auditor at the August meeting.

XII. Calendar

- Andree Hall stated that the next Trust Board meetings will continue to start at 4:30pm and be held on the third Wednesdays of the month, which for the next two months would be July 19 and August 16.
- Velma Rose stated that she will be out of town July 19.
- Brad Jupp was directed to communicate these dates via Outlook and email.

The meeting was adjourned at 5:58pm.