

Minutes of Special Board Meeting August 27, 2019

The Board of Trustees Texas City Independent School District

Present: *Nakisha Paul, Vice President*
 Melba Anderson
 Hal Biery
 Dickey Campbell
 Nelson Juarez
 Mable Pratt

Absent: *Bryan Thompson, President*

Present: *Dr. Rodney Cavness, Superintendent*
 Susan Myers, Deputy Superintendent of Education
 Dr. Terri Burchfield, Assistant Superintendent of Support Services
 Marcus Higgs, Assistant Superintendent of Human Resources
 Margaret Lee, Assistant Superintendent for Business & Operations

Patricia Collins, Tax Assessor/Collector
 Zack Cowey, Director of Finance
 Adriana Lyle, Executive Administrative Assistant/Board Secretary
 Donna Peterson, Director of Special Education
 Melissa Tortorici, Director of Communications

A Special Board Meeting of the Board of Trustees of Texas City Independent School District was held Tuesday, August 27, 2019, beginning at 6:30 PM in the Simpson Education Support Center Board Room.

1. Call to Order

2. First Order of Business

- A. Announcement by the President whether a quorum is present, that the meeting has been duly called and notice of the meeting has been posted for the time and manner required by law

Ms. Nakisha Paul, Vice President, called the meeting to order at 6:32 p.m. Ms. Paul announced that a quorum was present, that the meeting had been duly called, and a notice of the meeting had been posted in the time and manner required by law.

3. Public Hearing

- A. Public Meeting to discuss the results of the District's FIRST Rating

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, opened the Public Meeting at 6:33 p.m. Mrs. Lee explained that every school district in Texas is required to prepare an annual financial management report that includes:

- *The district's financial management performance rating provided by TEA based on its comparison indicators established by the Commissioner of Education for the state's new Financial Accountability System.*
- *The district's financial management performance under each indicator for the current and previous years' financial accountability ratings.*
- *Additional disclosures as required by the Commissioner of Education*

This information is to be disclosed to the district stakeholders in a Public Meeting within 60 days of the final rating. Mrs. Lee went over each of the indicators and the district's performance.

B. Public Meeting to discuss budget and proposed tax rate

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, stated that the proposed budget that was presented at the July 30, 2019 was very close to the current budget presented. There were small adjustments made; the revenue related to the Chapter 313 Agreements were removed from the budget. Mrs. Lee explained that Gulf Coast Ammonia withdrew their application for the Chapter 313 agreement because the project did not qualify. Mrs. Lee reviewed a presentation to discuss where a dollar goes in the TCISD budget. The Public Meeting closed at 7:03 p.m.

4. Action

A. Consider adoption of the following budgets:

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, explained that the 2019-20 maintenance and operation budget complies with the federal and state laws, Texas Education Agency rulings and the Texas Education Code. Mrs. Lee stated that with revenues of \$104,844,033 million and expenditures of \$95,796,606 million, the resulting budget is a \$9 million surplus. However, the surplus is attributed to an additional \$18.1 million of funding received under TEC 13.054 and is not derived from regular operating revenues. The Maintenance and Operations budget reflects a \$3.3 million deficit without consideration of the \$18.1 million local fund assignment adjustment

TCISD will end the 2018-19 fiscal year with an estimated \$56.8 million in the maintenance and operations fund balance. In a separate agenda item, I will be requesting that \$35 million of the fund balance be assigned, leaving an unassigned fund balance of \$21.5 million (3 months of operations expenditures).

Revenue

The revenue to fund the budget is based on a Maintenance and Operations tax rate of \$1.06835 and estimated current year tax collections of \$54.6 million. The State revenue reflected in object code 5812 includes an \$18.1 million adjustment to the local fund assignment and funding generated under published finance formulas.

Expenditures

The expenditure budget presented for approval is \$95,796,606 and will fully fund the operations of the district. This budget does not include salary increases.

Mr. Hal Biery, Board Member, made a motion to consider the adoption of Local Maintenance, Nutrition Services, and Debt Services budgets as presented. Mr. Dickey Campbell, Board Member, seconded the motion. The motion carried 6/0.

1. Local Maintenance – Funds 1XX
2. Nutrition Services – Fund 240
3. Debt Services – Fund 599

B. Consider adoption of the maintenance and operations tax rate

Mr. Dickey Campbell, Board Member, made a motion to adopt the maintenance and operations tax rate as presented. Ms. Melba Anderson seconded the motion. The motion carried 6/0.

C. Consider adoption of the interest and sinking tax rate

Ms. Melba Anderson, Board Member, made a motion to adopt the interest and sinking tax rate as presented. Mrs. Mable Pratt, Board Member, seconded the motion. The motion carried 6/0.

5. Information

A. Review final budget amendment for the current fiscal year

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, gave quick overall reviewed of the final budget amendment for the current fiscal year

1. Local Maintenance - Funds 1XX
2. Nutrition Services - Fund 240
3. Debt Service - Fund 599

B. Review assignment of maintenance and operations fund balance

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, explained that at the end of each fiscal year Trustees should reconsider the assignment of fund balance based on future and current circumstances. With an estimated total Maintenance and

Operations fund balance of \$57 million, Mrs. Lee recommends the following assignment of fund balance for the fiscal year ended August 31, 2019:

08/31/2019 Projected Assigned Fund Balance		
Catastrophic Event (Insurance Deductible)	\$	(14,000,000)
Reserve for Property Value Lawsuits / Settlements	\$	(2,000,000)
Reserve for Inventories	\$	(172,247)
Reserve for Prepaid Items	\$	(832,114)
Reserve for Facilities (TEC 13.054)	\$	(15,000,000)
Reserve for MTN Loan Payments (Payments 4-5)	\$	(1,671,648)
Reserve for Campus Fund Balance Roll Forward	\$	(1,300,000)
FUND BALANCE ASSIGNMENTS		\$ (34,976,009)

C. Review the following insurance policy renewals:

Mrs. Margaret Lee, Assistant Superintendent for Business & Operations, reviewed the insurance policy renewal. Mrs. Lee explained that this policy was issued by the TASB Risk Management Fund. It will be in effect from 10/01/19 to 9/30/20.

1. Unemployment

D. Review the following contracts:

Agenda Item 5D, Soaring with Eagle contract was removed from the agenda and discussion at this time.

1. Soaring with Eagles

6. Business/Legal/Finance Consent Agenda

Mr. Dickey Campbell, Board Member, moved to approve items A (1-3), B, and C1. Mrs. Mable Pratt, Board Member, seconded the motion. The motion carried 6/0.

A. Consider approval of final budget amendment for the current fiscal year

1. Local Maintenance - Funds 1XX
2. Nutrition Services - Fund 240
3. Debt Service - Fund 599

B. Consider approval of fund balance assignment

C. Consider approval of the following insurance policy renewals

1. Unemployment

D. Consider approval of the following contracts:

1. Soaring with Eagles

7. Curriculum and Instruction Consent Agenda

Ms. Melba Anderson, Board Member, moved to approve items A, Mr. Nelson Juarez, Board Member, seconded the motion. The motion carried 6/0.

A. Consider Approval of T-TESS Appraisal Calendar for 2019-2020

8. **Closed Meeting** - Closed meeting will be held for the purposes authorized by the Texas Open Meetings Act, Texas Government Code Section 551.071 - 551.087 concerning all purposes permitted by the Act, including but not limited to the following sections and purposes: Texas Government Code Sections:

Mr. Dickey Campbell, Board Member, made a motion to convene into a closed meeting under Texas Government Code Sections 551.071 through 551.087, Mr. Hal Biery, Board Member, seconded the motion. The motion carried 6/0. The Board of Trustees entered closed session at 7:19 p.m.

- A. **551.071** For the purpose of a private consultation with the Board's attorney on all subjects or matter authorized by law
1. when the governmental body seeks the advice of its attorney about:
 - a. Pending or contemplated litigation or
 - b. A settlement offer; or
 2. On a matter in which the duty of the attorney to the governmental body, under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, clearly conflicts with this chapter;
 3. Consider legal advice regarding items specifically listed on the Agenda.
- B. **551.072** For the purpose of discussing the purchase, exchange, lease, or value of real property:
1. Consider Annexation Determination by Texas Education Commissioner regarding La Marque ISD and related actions
 2. Review detachment and annexation of territory
 3. Consider Proposed Middle School Site and related actions regarding value of land and potential negotiations with a third party.
 4. Discuss possible valuation of surplus district property and possible purchase of additional properties located in district.
- C. **551.073** For the purpose of discussing negotiated contracts for prospective gifts or donations
- D. **551.074** For the purpose of considering the appointment, employment, resignation, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee
1. Consider hiring of professional personnel;

- 2. Consider renewals, non-renewals, and terminations of contracts for professional personnel;
- E. **551.076** For the purpose of considering the deployment, specific occasions for, or implementation of, security personnel or devices
- F. **551.082** For the purpose of considering discipline of a public school child, or complaint or charge against personnel
- G. **551.083** For the purpose of considering the students, guidelines, terms, or conditions the board will follow or will instruct its representatives to follow, in consultation with representative of employee groups
- H. **551.084** Excluding witness for a hearing
- I. **551.087** For deliberation regarding economic development negotiations
 - 1. Discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations;
 - 2. Deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1)

9. Reconvene from Closed Meeting

The Board of Trustees reconvened into open session at 7:545 p.m.

10. Consider Action on Items Discussed in Closed Session

- A. Consider Board approval of professional personnel recommendations and related actions
- B. Consider Board approval of renewals, non-renewals, and terminations of contracts for professional personnel and related actions

11. Adjournment

Ms. Mable Pratt, Board Member, moved to adjourn the meeting at 8:40 p.m. Mr. Dickey Campbell, Board Member, seconded the motion. The motion carried 6/0.

Approved:

 Bryan Thompson
 TCISD Board of Trustees

 Date

 Adriana Lyle, Secretary
 TCISD Board of Trustees

 Date