



NOT FINAL UNTIL APPROVED BY THE BOARD

**BURLINGTON BOARD OF SCHOOL COMMISSIONERS
FINANCE COMMITTEE MINUTES
February 21, 2017
IRA Central Office
7 PM**

Attending Board Members: Brian Cina (chair of committee), Liz Curry, Kathy Olwell, Mark Barlow
Administration: Yaw Obeng, Nathan Lavery
Guests: Michael Healy

1. The Chair called the meeting to order at 7:10 p.m.

2. Approval of Agenda

Motion to amend agenda: to change the order placing Policy Review before Audit Discussion (Olwell/Curry)- unanimous

Motion to approve agenda: (Curry/Olwell)- unanimous

3. Public Comment/Board Reflection:

A. Comments and Questions from the Public- none

4. Policy Review (Policy Governance)

Reviewed details of the financial policies: 2.3. Financial Condition and Activities, 2.4 Financial Planning and Budgeting, 2.6 Asset Protection (see attached on boarddocs.com). Administration and Board have spent extensive amount of time reviewing these policies. Talked about equal importance of "executive limitations" versus "the ends" in policy governance approach. Discussed importance of learning from the experience of other school districts. Superintendent has been reviewing monitoring reports from other districts. Made adjustment to #8 of Policy 2.3.

5. Audit Discussion

Several items on the management letter have been there for a couple of years. Some of the items have seen progress. others still need a lot of improvement. Commissioner Curry asked that for the record, her comment be documented: "It is important to balance the remedy with cultural impact." Nathan Lavery added "part of what will guide our response to the management letter is the magnitude of the financial risk associated with each recommendation."

6. Business Office Reports (Senior Director Nathan Lavery)
 - A. Cash Flow Report - see attached document in boarddocs.com
 - B. Warrant Review - see attached document in boarddocs.com
 - C. Variance Report - see attached document in boarddocs.com
 - D. Other Business- none

7. Adjournment
 - A. *Motion (Curry /Barlow) to adjourn at 8:40 p.m. - unanimous.*

Respectfully submitted by Brian Cina

NOT FINAL UNTIL APPROVED BY THE BOARD

*Edited on 1/31/17 Special Board Meeting
Nathan Lavery, Senior Director of Finance, Made Suggested Edits on 2/20/17
Updated by Finance Committee on 2/21/17
Updated by Governance, Policy and Advocacy Committee on 2/23/17*

Model Policies

Global Ends

1.0 Ends Policy

Executive Limitations Policies

2.0 Global Executive Constraint

2.1 Treatment of Students, Parents/Guardians and Community

2.2 Treatment of Staff

2.3 Financial Condition and Activities

2.4 Financial Planning and Budgeting

2.5 Emergency Superintendent Succession

2.6 Asset Protection

2.7 Compensation and Benefits

2.8 Communication and Support to the Board

Board-Management Delegation

3.0 Global Governance-Management Connection

3.1 Unity of Control

3.2 Accountability of the Superintendent

3.3 Delegation to the Superintendent

3.4 Monitoring Superintendent Performance

Governance Process

4.0 Global Governance Commitment

4.1 Governing Style

4.2 Board Job Description

4.3 Agenda Planning

4.4 Chair's Role

4.5 Board Member's Code of Conduct

4.6 Board Committee Principles

4.7 Governance Investment

ENDS

Policy Title: 1.0 Global Ends

The mission of the Burlington School District is to graduate students who:

- Value different cultures
- Engage with the community
- Communicate effectively
- Think creatively
- Skillfully solve problems

- Achieve at their highest academic, intellectual and personal potential

Vision:

BSD: Cultivating Caring, Creative, and Courageous People- Join the Journey!

We believe:

- Every child can succeed
- Families and community are partners in educating our children
- Diversity and inclusion promote strong schools and communities
- A welcoming, supportive climate fosters learning
- Self-reflection and accountability improve our practices

Graduation Expectations

Our goal is to challenge all students to achieve at their highest levels and demonstrate:

Critical Thinking and Problem Solving
Effective Communication
Cross-Cultural Understanding and Civic Engagement
Personal Development
Curiosity and Creativity

Executive Limitations

2.0 Global Executive Constraint

The Superintendent of the Burlington School District shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, unsafe, imprudent, or in violation of commonly accepted educational and professional ethics and practices.

2.1. Treatment of Students and Parents/Guardians

With respect to interactions with students and parents/guardians of the Burlington School District or those applying to be students or parents/guardians, the Superintendent shall not cause or allow conditions, procedures, or decisions that are untimely, unclear, or unnecessarily intrusive.

Further, without limiting the scope of the foregoing by this enumeration, the

Superintendent of the Burlington School District shall not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing student/family information that fail to protect against improper access to the material elicited.
3. Fail to operate facilities with appropriate accessibility and privacy.
4. Fail to establish with students and parents/guardians a clear understanding of what may be expected and what may not be expected from the services offered.
5. Fail to inform students and parents/guardians of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protections under this policy.

Policy Title: 2.2. Treatment of Staff

With respect to the treatment of paid staff the Superintendent shall not:

1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions.
2. Discriminate against any staff member for non-disruptive expression of dissent.
3. Fail to acquaint staff with the Superintendent's interpretation of their protections under this policy.
4. Allow staff to be unprepared for emergency situations

Policy Title: 2.3. Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the Superintendent shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, the Superintendent shall not:

1. Expend more funds than have been budgeted.
2. Incur debt in an amount greater than can be repaid by certain otherwise

unencumbered revenues within sixty days.

3. Use any long-term reserves.
4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain otherwise unencumbered revenues within thirty days.
5. Allow payroll and debts to be settled in an untimely manner.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Spend any surplus revenues.
8. Make a single unbudgeted purchase or commitment of greater than \$15,000. Splitting orders to avoid this limit is not acceptable.
9. Allow receivables to be unpursued after a reasonable grace period.

Policy Title: 2.4. Financial Planning and Budgeting

The Superintendent shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

Further, without limiting the scope of the foregoing by this enumeration, there will be no financial plans that

1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities (2.3)."
2. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Provide less for board prerogatives during the year than is set forth in the Governance Investment Policy.

Policy Title: 2.5. Asset Protection

The Superintendent shall not cause or allow district assets to be unprotected,

inadequately maintained, or unnecessarily risked.

Further, without limiting the scope of the foregoing by this enumeration, the Superintendent shall not:

1. Allow board members, staff and the District itself to be inadequately insured against theft and casualty losses and liability.
2. Allow un-bonded personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the District, its board, or its staff to claims of liability.
5. Allow information and files to be exposed to loss or significant damage.
6. Allow for practices that do not comply with Generally Accepted Accounting Principles.
7. Compromise the independence of the board's audit or other external monitoring or advice.
8. Endanger the District's public image, its credibility, or its ability to accomplish Ends.
9. Close any buildings as public schools.
10. Deviate from Burlington Investment Procedures or expose any Burlington School District endowments to unnecessary financial risk.

Policy Title: 2.6. Emergency Superintendent Succession

To protect the Burlington School District from loss of Superintendent services, the Superintendent shall not permit there to be fewer than two other executives sufficiently familiar with the Burlington School Board and Superintendent issues and processes to enable either or both in combination to take over with reasonable proficiency as an interim successor.

Policy Title: 2.7. Compensation and Benefits

With respect to employment, compensation, and benefits to non-unionized employees,

consultants, contract workers, the Superintendent shall not cause or allow jeopardy to financial integrity or to public image.

Further, without limiting the scope of the foregoing by this enumeration, the Superintendent shall not:

1. Change the Superintendent's own compensation and benefits.
2. Promise or imply permanent or guaranteed employment.
3. Establish or change compensation and benefits that deviate materially from the geographical or professional market for the skills employed.
4. Create greater obligations over a longer term than revenues can be safely projected, and in all events subject to losses in revenue.

Policy Title: 2.8. Communication and Support to the Board

The Superintendent shall not cause or allow the Board to be uninformed or unsupported in its work.

Further, without limiting the scope of the foregoing by this enumeration, the Superintendent shall not:

1. Neglect to submit monitoring data required by the board (see policy 3.4 on monitoring Superintendent performance) in a timely, accurate, and understandable fashion, directly addressing the provisions of Board policies being monitored.
2. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive limitations policy, regardless of the Board's monitoring schedule.
3. Neglect to submit unbiased decision information required periodically by the Board or let the Board be unaware of relevant trends.
4. Allow the Board be unaware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
5. Allow the board be unaware if, in the Superintendent's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management

Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Superintendent.

6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.
7. Allow the board to be deprived of a workable mechanism for official board, officer, or committee communications.
8. Deal with the board in a way that favors or privileges certain board members over others except when responding to officers or committees duly charged by the Board.
9. Allow the board to do its work without the necessary items on its consent agenda. Necessary items are those decisions delegated to the Superintendent yet required by law, regulation or contract to be board-approved, along with applicable monitoring information.

Board Management Delegation

Policy Title: 3.0 . Global Governance-Management Connection

The Board's sole official connection to the District, its achievements, and its conduct will be through the Superintendent of schools.

Policy Title: 3.1. Unity of Control

Only officially passed motions of the Board are binding on the Superintendent.
Accordingly:

1. Decisions or instructions of individual Board members, officers, or committees are not binding on the Superintendent except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the Superintendent can refuse such requests that require, in the Superintendent's opinion, a material amount of staff time or funds or is disruptive.

Policy Title: 3.2. Accountability of the Superintendent

The Superintendent is the Board's only link to operational achievement and conduct, so

that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Superintendent. Accordingly:

1. The Board will never give instructions to persons who report directly or indirectly to the Superintendent.
2. The Board will not evaluate, either formally or informally, any staff other than the Superintendent.
3. The Board will view successful Superintendent performance as demonstrated by accomplishment of Board-stated Ends and avoidance of Board-proscribed means.

Policy Title: 3.3. Delegation to the Superintendent

The Board will instruct the Superintendent through written policies that prescribe the District's Ends to be achieved and describe situations and actions to be avoided, allowing the Superintendent to use any reasonable interpretation of these policies. Accordingly:

1. The Board will develop policies instructing the Superintendent to achieve specified results for specified recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies. All issues that are not Ends issues as defined here are means issues.
2. The Board will develop policies that limit the latitude the Superintendent may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the Superintendent.
3. As long as the Superintendent uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the Superintendent is authorized to establish all further procedures, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the Superintendent shall have full force and authority as if decided by the Board.
4. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and Superintendent domains. By doing so, the Board changes the latitude of choice given to the Superintendent. But as long as any particular delegation is in place, the Board will respect and support the Superintendent's choices.

Policy Title: 3.4. Monitoring Superintendent Performance

Systematic and rigorous monitoring of Superintendent job performance will be solely against the expected Superintendent job outputs: District accomplishment of Board policies on Ends and District operation within the boundaries established in Board policies on Executive Limitations. A formal evaluation of the superintendent by the board will occur annually by cumulating the regular monitoring data provided during the year and the board's recorded acceptance or non-acceptance of the reports and identifying performance trends evidenced by that data. Accordingly:

1. Monitoring allows the board to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. The Board will acquire monitoring information by one or more of three methods:
 - a. by internal report, in which the Superintendent explains his or her interpretation of the policy being monitored, and provides a rationale for this interpretation, metrics for its achievement, and any other compliance information to the Board;
 - b. by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or
 - c. by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
3. In every case, the Board will judge (a) the reasonableness of the Superintendent's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. In every case, the standard for compliance shall be any reasonable Superintendent interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by Board members or by the Board as a whole.
5. All policies that instruct the Superintendent will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method but will ordinarily depend on a routine annual schedule.

Governance Process

Policy Title: 4.0. Global Governance Commitment

The purpose of the Board, on behalf of Burlington, is to see to it the Burlington School District (a) achieves appropriate results for students at an appropriate cost (as specified in Board Ends policies) and (b) avoids unacceptable actions and situations (as prohibited in Board Executive Limitations policies).

Policy Title: 4.1 Governing Style

The Board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and superintendent roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity. Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual members to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
2. The Board will direct, control, and inspire the District through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term Ends, not on the administrative or programmatic means of attaining those Ends.
 - a. Board values will be drawn from the diverse values of the community informed by sources both internal and external to the District.
3. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect for the distinction between its role and that of the Superintendent, and ongoing improvement of board governance processes. Although the Board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
4. Continual Board development will include orientation of new Board members in the Board's Governance Process and periodic Board discussion of process improvement.
5. The Board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.

6. The Board will monitor and discuss the board's process and performance on a regular basis, but not less than quarterly. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

Policy Title: 4.2. Board Job Description

Specific job products of the Board, as an informed agent of the ownership, are those that ensure appropriate District performance. The Board has direct responsibility to:

1. Hire, negotiate a contract with, set compensation for, and evaluate the Superintendent.
2. Create and maintain the linkage between the community and the District Administration to represent the informed voice of the community. This linkage will include:
 - a. Seeking input regarding community values on issues of Ends and ethics.
 - b. Educating the community on issues impacting the district.
 - c. Reporting to the community on district performance.
 - d. Ensuring the community and other stakeholders who bring non-Board issues to the Board are courteously and respectfully referred to the appropriate process for getting their issue addressed by the District.
3. Create and maintain written governing policies that realistically address the broadest levels of all Board and District decisions and situations.
 - a. Ends: District outcomes, impacts, benefits, recipients, and their relative worth (what good for which recipients at what cost).
 - b. Executive limitations: constraints on executive authority that establish the boundaries within which all executive activity and decisions must take place.
 - c. Governance process: specification of how the Board conceives, carries out, and monitors its own task.
 - d. Board-management delegation: how power is delegated and its proper use;

the Superintendent's role, authority, and accountability.

4. Be familiar with all required policies in effect.

Policy Title: 4.3. Agenda Planning

The Board will follow a strategic workplan and annual agenda that focuses our attention upward and outward.

1. The Board will create, and modify as necessary, an annual calendar that includes
 - a. tasks and events related to its workplan
 - b. a Board training schedule,
 - c. a monitoring schedule (which will ordinarily include attention to all policies over the course of the year)
 - d. the Superintendent evaluation and compensation decisions as outlined in our Board-Management Delegation policies.
2. Board meeting agendas will be determined by the Board Chair, and may be modified at the meeting by a majority vote of the Board.
 - a. A Board member may recommend or request an item for Board discussion by submitting the item to the Chair no later than five days before the agenda is to be warned.
 - b. Only the majority of the Board can remove an item from the consent agenda for discussion.

Policy Title: 4.4. Chair's Role

The Chair, a specially empowered member of the board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties. Accordingly:

1. The assigned result of the Chair's job is that the Board behaves consistently with its own rules and those legitimately imposed on it from outside the District by charter, statute or regulation.
 - a. The Chair will ensure that the Board fulfills its obligations and work to improve the Board's performance.
2. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him and report such activity at the next meeting of the Board.
3. The Chair may delegate this authority but remains accountable for its use.
4. The Chair has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chair has no

- authority to supervise or direct the Superintendent.
5. The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - a. Meeting discussion content will consist solely of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - b. Information that is neither for monitoring performance nor Board decisions will be avoided or minimized and always noted as such.
 - c. Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.

Policy Title: 4.5. Board Members' Code of Conduct

The Board commits itself and its members to ethical and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

1. Members must demonstrate loyalty to the District, unconflicted by loyalties to staff, outside organizations, or any personal interests as Parents or Guardians.
2. In order to comply with the obligations thus imposed, the Board and its members will adhere to the following standards.
 - a. Board members will be familiar with, and adhere to, those provisions of Vermont education law which define School Board powers and govern Board member compensation and public bidding processes.
 - b. A Board member will do nothing intended to leave the impression that his or her position on any issue can be influenced by anything other than a fair presentation of all sides of the question.
3. Members will be properly prepared for board deliberation.
4. Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the member's personal position on the issue.
5. Conflict of Interest

It is the ethical and legal duty of all School Board members to avoid conflicts of interest as well as the appearance of conflicts of interest. "Conflict of interest" means a situation

when a board member's private interests, as distinguished from the board member's interest as a member of the general public, would benefit from or be harmed by his or her actions as a member of the board.

A Board member will not take any action which is intended to give the impression that he or she would represent special interests or partisan politics for personal gain.

A Board member will not use his or her position on the Board in any manner intended to unfairly promote personal financial interests or the financial interests of family members, friends or supporters.

A Board member will not accept anything of value in return for taking particular positions on matters before the Board.

Avoiding Conflicts When a Board member becomes aware of involvement in a conflict of interest as defined in state law or this policy, he or she will declare the nature and extent of the conflict or appearance of conflict for inclusion in the Board minutes, and will abstain from voting or participating in discussion of the issue giving rise to the conflict.

Complaints of Conflict of Interest When a conflict of interest claim against a Board member is brought to the Board in writing and is signed by another Board member or a member of the public, and the Board member against whom the claim is made does not concur that a conflict in fact exists, the following Board procedures will be followed.

1. Upon a majority vote of the remaining Board members, or upon order of the chair, the Board will hold an informal hearing on the conflict of interest claim, giving both the Board member and the person bringing the claim an opportunity to be heard.
2. At the conclusion of the informal hearing, the remaining Board members will determine by majority vote to take one of the following actions:
 - a. Issue a public finding that the conflict of interest charge is not supported by the evidence and is therefore dismissed.
 - b. Issue a public finding that the conflict of interest charge is supported by the evidence and that the member should disqualify him or herself from voting or otherwise participating in the Board deliberations or decision related to that issue, as required by Vermont statute.
 - c. Issue a public finding that the conflict of interest charge is supported by the evidence and, in addition to disqualifying him or herself from voting or

otherwise participating in the Board deliberations or decision, the Board member should be formally censured or subjected to such other action as may be allowed by law.

3. Board members may not attempt to exercise individual authority over the District or Board.. A Board member will do nothing intended to give the false impression that he or she has the authority to make decisions or take action on behalf of the Board or the school administration. As such;
 - a. Members' interaction with the Superintendent or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the board.
 - b. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
 - c. Except for participation in board deliberation about whether the Superintendent has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees, volunteers or the Superintendent.
 - d. Members will respect the confidentiality appropriate to issues of a sensitive nature.

Policy Title: 4.6. Board Committee Principles

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to Superintendent.

Accordingly:

1. Board committees will be used sparingly and ordinarily in an ad hoc capacity.
2. In the event that the Board creates a committee
3. Board committees are to help the Board do its job, not to help or advise the staff.

We will use Board committees only to help us accomplish our job.

1. Committees will reinforce and support Board holism.
 1. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.

2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, regularly review and control committee responsibilities in written committee charters.

We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the Superintendent

Policy Title: 4.7. Governance Investment

Because good governance is essential to the successful achievement of the District's Ends, the board will invest in its governance abilities.

1. Appropriate funds shall be allocated each year to ensure that at minimum, Board skills, methods, and supports will be sufficient to ensure governing with excellence.
 - a. Training will be used to orient new members, as well as to maintain and increase existing member skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the Board can exercise confidence in its control over District performance. This includes, but is not limited to, financial audits.
 - c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to the community's viewpoints and values.
2. The board will establish its Board budget for the next fiscal year when budget parameters are established.