

**EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT  
CORPORATION BOARD OF DIRECTORS  
MEETING MINUTES**

**THURSDAY, JANUARY 22, 2015  
2:00 P.M.  
MUNICIPAL PLAZA BUILDING ROOM B**

**Members Present:** Boardmember Elaine Mendoza, Chair, *Mayoral*  
Boardmember Dr. Richard Middleton, *District 1*  
Boardmember Pamela Ray, *District 2*  
Boardmember Richard Perez, *District 4*  
Boardmember Gloria Ramirez, *District 5*  
Boardmember Lucy Hall, *District 6*  
Secretary Dr. John Folks, *District 7*  
Boardmember Dr. Shari Albright, *District 8*  
Boardmember Dr. Linda Foster, *District 10*

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**Members Absent:** Boardmember Major General Joe Robles, *District 3*  
Boardmember Comelia Black, *District 9*

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**Staff Present:** Sheryl Sculley, *City Manager*; Peter Zandoni, *Deputy City Manager*; Edward Guzman, *City Attorney's Office*; Kathy Bruck, *Pre-K 4 SA Chief Executive Officer*; Alfredo Martinez, *Pre-K 4 SA Department Fiscal Administrator*; Martha Lambaria, *Pre-K 4 SA*

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**Also Present:** Lauren Decker, Ph.D., *Edvance Research, Inc. Senior Researcher*; Santos Fraga Jr. CPA, *Partner*; Marc Sewell, CPA, *Senior Manager, Padgett, Stratemann & Co., L.L.P.*; Razi Hosseini, *Transportation & Capital Improvements Assistant Director*; Linda Hamilton, *Pre-K 4 SA Director of Professional Development*; Michael Rodriguez, *City Manager's Office*; William Davenport, *Pre-K 4 SA*; Andrea De La Garza, *Pre-K 4 SA*

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**Call To Order**

Chairwoman Mendoza called the meeting to order.

**1. Approval of minutes of the December 2, 2014 Early Childhood Education Municipal Development Corporation Board of Directors Meeting**

Boardmember Folks moved to approve the minutes of the December 2, 2014 Early Childhood Education Municipal Development Corporation Board of Directors Meeting. Boardmember Hall seconded the motion. Motion carried unanimously by those present.

**2. Citizens to be Heard [Interested speakers will have 3 minutes to address Pre-K 4 SA Board on Pre-K 4 SA related matters]**

There were no citizens present to speak.

There were no items pulled for individual consideration.

Boardmember Ray moved to approve Item 3 under the Consent Agenda. Boardmember Folks seconded the motion. Motion carried unanimously by those present.

### **Consent Agenda**

- 3. Staff briefing of possible Board action to approve an amendment to the tenant improvement contract for the Pre-K 4 SA North, South, and West Education Centers in the amount of \$279,450 for design fees, construction utility fees, purchase and placement of monument signage and general supervision/administrative fees [Razi Hosseini, Transportation & Capital Improvements Assistant Director]**

### **Individual Briefings**

- 4. Possible Board action to approve a contract with the recommended vendor for professional management services related to marketing outreach, public relations, and branding for the Pre-K 4 SA program in an amount not to exceed \$300,000 or in the alternative extend the current marketing contract with Creative Civilization on a month-to-month basis [Kathy Bruck, Pre-K 4 SA CEO]**

Kathy Bruck, Pre-K 4 SA CEO provided a briefing and discussion regarding the vendor for professional management services related to marketing outreach, public relations, and branding for the Pre-K 4 SA program in an amount not to exceed \$300,000 or in the alternative extend the current marketing contract with Creative Civilization on a month-to-month basis. She provided the following presentation:

- Current Situation
- RFP process
- Creative Civilization budget to-date

Chairwoman Mendoza asked if the expenditure from August to-date was zero. Ms. Bruck responded that there had been seven-thousand dollars expenditure for two press releases and media buy since school began. Chairwoman Mendoza and Ms. Bruck affirmed that the \$352,566 was the grand total budget to-date.

Ms. Bruck continued with the following:

- RFP process timeline

Boardmember Folks asked for the number of applications received. Ms. Bruck replied that five applications that met the criteria were received.

Ms. Bruck proceeded with the following:

- RFP Process Scope
- Evaluation Process
- Evaluation Panel
- RFP Process Responses
- Staff Recommendation

Boardmember Folks asked how Creative Civilization did in pricing. Ms. Bruck replied that Creative Civilization had the lowest prices/fees of \$95 per hour. She noted that other firms were higher.

Boardmember Ray affirmed that the contract would be for one year, month-to-month; and that the new Public Relations (PR) person would work collaboratively with Creative Civilization. Ms. Bruck informed the Board of interviewing for the PR position this forthcoming week with the intent to hire a candidate soon after.

Boardmember Ray asked who posted the Pre-K 4 SA Facebook blasts. Ms. Bruck confirmed that Pre-K SA staff posted the Facebook blasts. Boardmember Ray commended Pre-K 4 SA staff for their work.

Chairwoman Mendoza asked of strategies to improve relations with Creative Civilization. Ms. Bruck stated that Pre-K 4 SA had requested a more efficient process with Creative Civilization, to include one staff person to work with closely.

Boardmember Foster moved to approve staff recommendation to cancel the RFP process and extend the existing contract with Creative Civilization. Boardmember Ramirez seconded the motion. Motion carried unanimously by those present.

**5. Staff briefing and possible Board discussion of the Six Plus Six Financial Report and possible board approval of a mid-year adjustment to the Pre-K 4 SA budget [Alfredo Martinez, Pre-K 4 SA Department Fiscal Administrator]**

Boardmember Perez entered the meeting at this time.

Alfredo Martinez, Pre-K 4 SA Department Fiscal Administrator provided a briefing and Board discussion of the Six Plus Six financial report. He presented the following:

- FY 2015 Adopted Budget
- Sales Tax
- State Local Match
- USDA (Food)
- Sliding Scale Tuition
- Pre-K 4 SA Education Center Services
- Transportation Services
- Facilities Leases & Maintenance
- Professional Development
- Program Assessment
- Public Relations/Marketing

- Administration
- Mid-Year Estimate Summary

Boardmember Middleton asked of usage restrictions of fund balance. Mr. Martinez explained that the current fund balance would be used in future years at the discretion of the Board. Mr. Martinez noted that the adopted budget would be taken to the Board for consideration annually.

Boardmember Middleton recommended budgeting the way ISDs budget and to include comparisons. Mr. Martinez assured Boardmember Middleton of using a model and categories similar to ISDs.

Boardmember Hall expanded on the salaries of ISDs versus Pre-K 4 SA. Sheryl Sculley, City Manager clarified that Pre-K 4 SA staff were compensated on a 12 month salary.

Boardmember Ray asked if the USDA funds would be retroactive and allotted to food line items. Mr. Martinez explained that the USDA funds would go back to funding the food service program.

Boardmember Albright entered the meeting at this time.

Boardmember Folks expressed concern with transporting 250 students a year at the cost of \$1 million. Boardmember Ramirez asked of the capacity of students per bus. Mr. Martinez confirmed that the student capacity per bus was 35. He noted that the daily rate per bus was \$290 for a four-hour block of time. Boardmember Middleton asked if the transportation contract was annual. Mr. Martinez confirmed that the contract was annual.

Ms. Bruck expanded on possibly combining bus routes. Boardmember Folks recommended exploring different options of transporting students. Peter Zanoni, Deputy City Manager noted that state law did not allow vans for transporting students. Ms. Bruck expanded on car seats on the bus. Discussion ensued regarding student transportation.

City Manager Sculley reminded the Board that the students and their residences would vary from year to year. She concurred with exploring different transportation alternatives and offered to provide more options to the Board.

Ms. Bruck spoke of the limited parking space at the North Education Center, indicating that there may be more ridership next year.

Chairwoman Mendoza requested identifying a goal for the number of students transported. Mr. Zanoni explained that Pre-K 4 SA's initial business model was based on 40% – 50% ridership and that Pre-K 4 SA was at half of that. Chairwoman Mendoza affirmed that the goal was 50% and requested to engage more with the Pre-K 4 SA families and to increase strategies for ridership. Mr. Zanoni noted that ridership to-date was higher compared to last year.

Boardmember Perez moved to approve the FY 2015 Pre-K 4 SA Mid -Year Budget Adjustment to accommodate the necessary appropriation levels for the Corporation. Boardmember Folks seconded the motion. Motion carried unanimously by those present.

**6. Staff briefing on the independent evaluation for the 2013-2014 and 2014-2015 school years as conducted by Edvance Research, Inc. in conjunction with the National Institute for Early Education Research (NIEER) at Rutgers University to include contract deliverables and expenditures [Kathy Bruck, Pre-K 4 SA CEO]**

Ms. Bruck provided a briefing and discussion on the independent evaluation for the 2013-2014 and 2014-2015 school years as conducted by Edvance Research, Inc. She presented the following:

- Purpose of Independent Work Plan
- Overview of Budget
- Year 1 Objectives/Goals
- Year 1 Results
- Year 2 Objectives/Goals
- Year 2 Enhancements
- Control Group Options

Boardmember Hall mentioned that students in charter schools were transferring to religious schools.

Boardmember Folks asked if ISDs were also going to conduct comparisons of their students to Pre-K 4 SA students. Ms. Bruck stated that it could be conducted but that ISDs were awaiting a unanimous decision on whether to release their assessment data on students who did not participate in Pre-K 4 SA. She expanded on the difficulties of obtaining the data from ISDs.

Boardmember Albright suggested having a one-to-one briefing with district leadership.

Chairwoman Mendoza asked Lauren Decker, Ph.D., Edvance Research, Inc. Senior Researcher to address the strategy for data sharing. Dr. Decker stated that the data sharing agreements would not be with CoSA or Pre-K 4 SA but would only be signed by Edvance and the individual ISD; to avoid the issue of receiving Open Records Requests (ORR). Boardmember Middleton affirmed that Edvance would own and compile the data.

Ms. Bruck announced that Pre-K 4 SA would be meeting with ISDs during the first week of February.

**7. Briefing and Board discussion of the results of the Pre-K 4 SA financial audit engagement by Padgett, Stratemann & Co., L.L.P for the 2014 fiscal year beginning on July 1, 2013 and ending June 30, 2014 [Santos Fraga Jr. CPA, Partner; Marc Sewell, CPA, Senior Manager, Padgett, Stratemann & Co., L.L.P.]**

Chairwoman Mendoza welcomed Santos Fraga Jr. CPA, Partner. Mr. Fraga informed the Board of completing the financial audit for Pre-K 4 SA. He introduced Marc Sewell, CPA, Senior Manager, Padgett, Stratemann & Co., LLP.

Mr. Sewell provided a briefing and Board discussion of the results of the Pre-K 4 SA financial audit. He presented the following high level audit overview:

- Audit Results
- Selected Financial Highlights
  - Management's Discussion and Analysis
  - Financial Statements
  - Notes to Financial Statements
  - Required Supplementary Information
- Governance Required Communication
- Recommendations Regarding Internal Controls
- Preliminary Audit Plan for Fiscal Year 2015

Boardmember Middleton asked of investment potential for the fund balance. Mr. Sewell replied that CoSA did the investing for Pre-K 4 SA. Boardmember Middleton asked if the fund balance was for the corporation. Mr. Zaroni responded that Pre-K 4 SA made interest earnings on the fund balance.

Chairwoman Mendoza asked of control deficiencies regarding tuition. Ms. Bruck stated that corrections were implemented on the new registration enrollment process. Mr. Sewell stated that if deficiencies were corrected, it would be indicated on next year's results.

Boardmember Foster asked of tuition payments. Ms. Bruck replied that families had the choice of paying for tuition upfront or monthly.

Boardmember Foster asked of repercussions for students who stopped paying tuition. Ms. Bruck replied that reminder letters were sent out and that Pre-K 4 SA worked with families having extenuating circumstances. She noted that Pre-K 4 SA withdrew students if the family did not comply after multiple notices/meetings.

Chairwoman Mendoza thanked Mr. Fraga and Mr. Sewell for their work.

Chairwoman Mendoza reported that Pre-K 4 SA would begin enrollment early this year, beginning February 2, 2015.

Chairwoman Mendoza announced that the next Board meeting would take place on Tuesday, March 3, 2015 at 2:00 pm.

### **Consideration of Future Meetings**

- 8. The next meeting of the Board of Directors is scheduled to take place on Tuesday, March 3, 2015 at 2:00 pm.**

### **Adjournment**

**At any time during the meeting the Early Childhood Education Municipal Development Corporation may meet in executive session regarding any of the matters posted above for attorney-client consultation in compliance with the Texas Open Meetings Act.**

**There being no further discussion, the meeting was adjourned at 3:25 p.m.**

*Respectfully Submitted,*

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*Elaine Mendoza, Chairperson*

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*Martha G. Lambaria*  
*Pre-K 4 SA*

DRAFT