

**Executive Limitation 3.E**  
**Asset Protection**

To: Board of Education

From: Dr. Chris Fiedler, Superintendent of Schools

Re: Expectations of the Board – 3.E Asset Protection

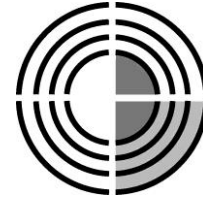
I hereby present the report on Asset Protection Executive Limitation 3.E in accordance with the schedule as set forth in Board policy. I certify the information in this report is true.

Signed: 

Date: April 24, 2018

Dr. Chris Fiedler

Superintendent, School District 27J



## Policy 3.E – ASSET PROTECTION

Date Adopted/Last Revised: September 26, 2017

**The Superintendent will not cause or allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.**

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The Superintendent will not:

1. Allow the organization to be uninsured.

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Reporting: Compliance

2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.

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- Items Past Their Useful Lives
- Capital Reserve Expenditures
- Security
- School Sites
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- Nutrition Services

Reporting: Compliance

3. Operate without employing risk management practices to minimize exposure of the organization, its Board, or staff to claims of liability.

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Reporting: Compliance

4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.

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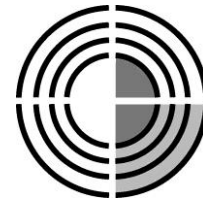
Reporting: Compliance

5. Allow a purchase of \$20,000 or more without having obtained comparative prices and quality.

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Reporting: Compliance

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## Policy 3.E – ASSET PROTECTION

Date Adopted/Last Revised: September 26, 2017

**The Superintendent will not cause or allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.**

*I interpret assets to represent physical and intellectual property of the District with a value greater than \$5,000.*

*I interpret unprotected as assets without insurance.*

*I interpret inadequately maintained as a lack of preventive maintenance, repair, or renovation which may cause an asset to deteriorate or experience an accelerated depreciation.*

*I interpret unnecessarily risked as exposure of assets to circumstances resulting in a higher likelihood of theft or otherwise being unavailable for the asset's intended purpose.*

### **Data Reported**

The data contained in this report will illustrate that the District's assets have been protected using insurance coverage amounts that meet or exceed industry standards and are similar to those utilized by members of the Rocky Mountain Risk Insurance Group, formerly known as the Adams County Board of Cooperative Educational Services (BOCES). The Rocky Mountain Risk Insurance Group included the school districts of District 27J, Adams 1 (Mapleton), Adams 12, and Adams 50 through the end of fiscal year 2017. Beginning July 1, 2017, Adams 12 terminated their membership in the Rocky Mountain Risk Insurance Group. Premiums and claim payments are within industry standards for a district the size of School District 27J. Insurance contracts and policies are in place with the appropriate level of protection and all loss claims against the policies are recovered, less the deductible. Insurance costs for general liability, auto liability, and property protection indicate adequate coverage to protect District assets. The Colorado Group Insurance Association (CGIA) permits public entities to self-insure as well as to purchase commercial insurance subject to C.R.S. 24-10-115 and 29-13-101, 102 & 105.

In addition to insurances, the District participates in a number of training opportunities provided by the Rocky Mountain Risk Insurance Group to improve risk management practices, mitigate risks and reduce loss. Additional consultation is available through our insurance broker. The Rocky Mountain Risk Insurance Group Management Advisory Council (MAC) is comprised of representatives from each district. This group meets monthly to discuss workers' compensation issues, review claims, and make recommendations to the Board of Directors regarding safety and loss control issues. The Board of Directors consists of a Board of Education member from each district, including a Superintendent Representative and a MAC Representative.

As a public agency, the processes by which a claimant can attempt to recover damages and/or losses as well as the limits of how much a claimant can collect from School District 27J are regulated by the

Colorado Governmental Immunity Act (CGIA). In very general terms, claimants may seek a waiver of this protection if the agency failed to act reasonably and/or allowed a known dangerous condition to exist that eventually caused harm. Even with governmental immunity, the claim must be investigated and a response put forward. Under the CGIA recoveries are limited to \$350,000 per person and \$990,000 per claim. Examples of claims that could be made against school districts include ice and snow on walkways, inadequate student supervision, and inadequate facility maintenance.

In 2004 the Insurance Pool added E&O (Errors and Omissions) coverage which insures the districts against wrongful acts committed by the districts. Employment practices liability and educators' professional liability are also included in this coverage. Board members face these exposures and should be aware that claims presented to the Pool are not subject to the Colorado Governmental Immunity Act (CGIA) which limits the levels of recovery by claimants.

The District takes the necessary precautions to prevent unnecessarily risking the image of the District and to protect its assets through adherence to its policies and procedures. These policies and procedures address employee conflict of interest and purchasing. External audits have been performed to measure compliance with them.

Intellectual property, information, and files are backed up and protected from misuse, significant damage, or copyright infringement in accordance with accepted governmental standards.

The state mandated set-aside for capital reserve funding was eliminated after the 2008-2009 school year. That statutory change in conjunction with declining per-pupil funding in FY 2010 through FY 2017 caused the District to realign many of its practices in an effort to remain compliant with the District's Global End of raising academic achievement. The allocation of resources to this end, while initially thought to be short term, has now been in place for many years resulting in a long term impact to our facilities management program.

In November 2015 the District passed a school construction bond in the amount of \$248 million. A portion of the bond is to be allocated to lengthen the life of existing educational facilities through repairs, maintenance and renovations. For the remainder of FY 2018 and through FY 2020, significant capital improvements are being made to our infrastructure. Bond projects are in various stages of design and/or construction and are scheduled to be completed by fall of 2020.

#### **The Superintendent will not:**

- 1. Allow the organization to be uninsured:**
  - a) Against theft and casualty losses to at least 90% of replacement value;**
  - b) Against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations; and**
  - c) Against employee theft and dishonesty.**

*I interpret insured to be defined as appropriate policies shall be in place and all claims against the policies are resolved.*

#### **Data Reported**

State law mandates minimum automobile bodily injury coverage of \$25,000 and minimum property damage coverage of \$50,000 per incident. The District has in place insurance policies to cover acts of

litigation, settlements, judgments and staff injuries resulting in financial remuneration by the District. The policies provide coverage for these acts to the extent available through insurance contracts. There are certain acts that are not insurable.

The District is a member with the aforementioned Adams County school districts in the Rocky Mountain Risk Insurance Group (the Pool) which provides insurance coverage for all its members. The Pool's Board of Directors consists of one member appointed by the Board of Education of each participating school district. All members of the Pool's Board of Directors have an equal vote in the administration of the Pool's activities, are responsible for selection of management, and have complete responsibility for all fiscal matters in the operation of the Pool.

The District pays annual premiums for property, liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool, which is subjected to actuarial review and annual audit, has various levels of self-insured retentions and purchases excess insurance for amounts above the retentions for liability, property, and workers' compensation coverage.

## Rocky Mountain Risk Insurance Group

2017-2018

### Hierarchy of Coverage By Line

	Property (Buildings, Vehicles, & Contents)	E & O	Liability	Workers' Compensation	Boiler & Machinery	Employee Dishonesty (Crime)	Cyber Liability
District Responsibility	\$0 - \$1,000	\$0 - \$10,000	\$0	\$0	\$0 - \$5,000	\$0 - \$25,000	\$0 - \$50,000
Pool Retention	\$1,000 - \$100,000	\$10,000 - \$150,000	\$0 - \$150,000	\$0 - \$550,000	None	None	None
Excess Coverage	\$100,000 to  \$1,000,000  BRIT	\$150,000 to  \$10,000,000 (* Abuse to \$5M)  BRIT	\$150,000 to  \$5,000,000 Auto Liability \$10,000,000  General Liability BRIT	\$550,000  Statutory  Safety National	\$5,000 to  \$100,000,000  Travelers	\$25,000 to  \$1,000,000  Travelers	\$50,000 to  1,000,000 - 5,000,000  ACE
Additional Excess Coverage	\$1,000,000 to \$100,000,000 Travelers						

\*Student Sexual Abuse has a sub-limit of \$5,000,000 under Educators Legal Liability.  
Charter Schools are excluded from all lines of coverage.

This interpretation is reasonable because its intent meets industry standards for insurance as established by the Rocky Mountain Risk Insurance Group Limits and Retentions.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**2. Subject facilities and equipment to improper wear and tear or insufficient maintenance.**

*I interpret facilities to comprise buildings and grounds owned or leased by the District.*

*I interpret equipment to mean tools, electronic data processing equipment, vehicles and machines that either alone or in combination comprise and/or support operating systems within these facilities with a value exceeding \$5,000 and a useful life greater than one year.*

*I interpret electronic data processing equipment to mean communications equipment used for essential operational activities. These pieces of equipment are building level switches, phone switching equipment, and fiber connections.*

*I interpret improper wear and tear as failure to sustain the integrity of the asset in a timely manner or protect the normal life of the asset for the asset's intended purpose within the funding capacities provided.*

*I interpret insufficient maintenance as not keeping up with preventive and corrective maintenance as recommended by the manufacturer or prevailing industry practice.*

**Data Reported**

**Buildings**

The District owns and maintains a number of facilities. The following chart is a summary description of the facilities, the square footage, and the insurable values of the buildings and their contents as reported by the Rocky Mountain Risk Insurance Group:

Type	Number of Buildings	Square Footage	Value of Buildings	Value of Contents	Site Improvements	Total Value
School Facilities	20	1,884,059	\$379,405,916.44	\$33,009,694.00	\$3,979,837.00	\$416,395,447.44
Modulars	35	73,208	\$5,741,194.40	\$860,847.77	\$0.00	\$6,602,042.17
Other Facilities/Out Buildings	19	154,793	\$15,205,068.51	\$4,248,545.45	\$821,324.00	\$20,274,937.96
<b>Total</b>	<b>74</b>	<b>2,112,060</b>	<b>\$400,352,179.34</b>	<b>\$38,119,087.22</b>	<b>\$4,801,161.00</b>	<b>\$443,272,427.57</b>

Through the exceptional effort of District staff, a 100% rating has been achieved for this year by keeping all facilities open and able to serve their intended service each day of the past year.

Prior to January 2016, limited funding availability forced the deferral of many routine maintenance and life expectancy replacements of District assets related to buildings and equipment. These deferred actions caused the staff to claim non-compliance in this area for the past two years. The successful 2015 School Construction Bond has provided the financial resources necessary to make improvements in this area.

In addition to the new schools and expansions and renovations, the following is a non-inclusive list of some of the deferred maintenance items that have been remedied:

<b>Roof Replacement/Repair</b>	<b>Year Repaired</b>
Brighton Heritage Academy (\$379k)	2016
Brighton High (\$2,086,000)	2017
Educational Service Center (\$562k)	2017
Overland Trail Middle (\$771k)	2017
South Elementary (\$742k)	2017
Indoor Pool Bldg (\$232k)	2017
Vikan Middle (\$1,273,000)	2017
<b>Mechanical Systems Repairs/Upgrades</b>	<b>Year Repaired</b>
Southeast Elementary chiller & water heater (\$160k)	2016
Second Creek Elementary controls (\$59k)	2016
Second Creek Elementary water heater (\$5k)	2016
Thimmig Elementary controls (\$57k)	2016
Stuart Middle boiler repair (\$39k)	2016
Brighton High heating coil & chiller (\$23k)	2016
ESC heating coil (\$2k)	2017
<b>Asphalt/Concrete Repairs</b>	<b>Year Repaired</b>
South Elementary repairs (\$111k)	2016
Southeast Elementary repairs (\$29k)	2016
Henderson Elementary repairs (\$9k)	2016
West Ridge Elementary repairs (\$6k)	2016
Overland Trail Middle repairs (\$8k)	2016
Brighton High repairs (\$71k)	2016
Prairie View Middle sidewalk (\$16k)	2016
Prairie View High repairs (\$15k)	2016
Pennock Elementary repairs (\$7k)	2017
North Elementary parking lot (\$113k)	2017
Nutrition Bldg parking lot (\$177k)	2017
<b>Lighting Upgrades</b>	<b>Year Repaired</b>
Henderson Elementary (\$7k)	2017
North Elementary (\$21k)	2017
Southeast Elementary (\$14k)	2017
Thimmig Elementary (\$9k)	2017
Pennock Elementary (\$9k)	2017
Second Creek Elementary (\$9k)	2017
Prairie View Middle (\$23k)	2017
Stuart Middle (\$23k)	2017
<b>Artificial Turf Fields</b>	<b>Year Repaired</b>
South Elementary (\$258k)	2016
Brighton High (\$505k)	2016
Prairie View High (\$428k)	2016



## Indoor Pool Building

The District's Indoor Pool was designed and constructed in the 1970's. A dive pool was added in the 1990's. In the early years the pool provided a venue for swimming instruction as part of the District's physical education curriculum across many grades, a home for the high school swim, dive and water polo teams, as well as the location for community recreation programs in conjunction with the City of Brighton.

Utilizing 2004 School Construction Bond funds a variety of repairs were made to the pool in the 2008-2009 school year related to improvements and repairs to the building's structural and HVAC system. The pool itself was also resurfaced at this time. A decision was made at this time not to proceed with any additional required improvements, but rather to opt for a short term fix that might extend the life of the building another 5-10 years. The roof was replaced in the summer of 2017.

In 2004, the Colorado Community College System, acting on the authority of the Office of Civil Rights (OCR), conducted a study of many components of the Brighton High School Career and Technical Education programs including the physical accessibility of the facilities. Included within the findings were a number of accessibility violations at the Indoor Pool building which must be met as Physical Education credits are required for graduation and swimming is part of the curriculum for those credits. Swimming is no longer part of the high school physical education curriculum and therefore is no longer within the scope of the OCR compliance. The estimated costs to come into compliance is estimated at approximately \$1,000,000. While the repairs would bring us into OCR compliance they would not include any repairs required to extend the life of the building. Costs to extend the life of the building now are estimated in the \$2-5 million-dollar range.

The Indoor Pool's use is now limited to the high schools' unified boys and girls swim and dive teams and the community-based Bullfrogs competitive swim team. Over the past several years, participation by the two groups includes 50-60 students per year.

Based on the aforementioned information, it is not the current intention of District staff to invest significant additional dollars into the building. The outcome of this decision will likely result in the loss of this facility for its intended purpose in the next several years. District staff is actively involved in conversations with our local municipal partners to determine the financial viability of a jointly operated facility.

## **Security of District Facilities**

The site-specific school emergency plan for each school details the site's physical security and fire protection systems in the Prevention/Mitigation section. With all the modifications for the remodels and the new schools, there are a number of plan updates pending. The District has many systems in place to protect people and assets, and the projects currently being implemented throughout the District with bond funding will greatly enhance school security and safety.

## **Security Personnel**

School Resource Officers (SROs) are assigned to secondary schools through cost-sharing agreements with our police departments. Brighton provides officers at Brighton High School, Brighton Heritage Academy, Prairie View High School, Prairie View Middle School, and one officer is shared by Overland Trail Middle School and Vikan Middle School. Commerce City provides a second SRO at Prairie View

High School and one at Stuart Middle School. School District 27J has requested one SRO from the Thornton Police Department for the soon to be opened Riverdale Ridge High School.

While the original goals of SRO programs were related to proactive work through community policing, active shooter incidents have made SROs even more essential at schools for protection.

Campus Supervisors are 27J employees who work as unarmed security monitors at their campuses. Prairie View High School employs six campus supervisors, Brighton High School has three, and Prairie View Middle School, Stuart Middle School and Vikan Middle School each added one to their staffs this school year; however, Vikan has removed funding for 2018-2019.

### Access Control

All elementary and middle schools have main entrances that require visitors to be screened prior to entry during school hours. These systems allow staff to view and talk to entrants before remotely unlocking the access door. Second entry stations were added at a few schools where access from modular classrooms through another school entrance is controlled. Cafeterias at some sites have similar equipment that is used for after-hours childcare programs.

Currently, the following sites have electronic card key access systems for employees: Brantner Elementary, Brighton High School, Prairie View High School\*, Prairie View Middle School\*, Stuart Middle School\*, Reunion Elementary, Vikan Middle School, the Educational Services Center and the Network Operations Center. Prairie View High School, Prairie View Middle School and Stuart Middle School will be upgraded to new technology. Bond funds will provide all other existing schools with electronic access control. All of them are using an enterprise system that is implemented District wide for staff badging and access except for the three above indicated with an asterisk that have not been converted yet. The goal last year was to have electronic access control implemented at all schools by this school year. That date has been pushed back.

All 19 District-managed schools use a visitor management and screening system licensed from Raptor Technologies and Riverdale Ridge High School will have it when it opens in the fall. The Brighton and Commerce City charter schools use Raptor or a similar system. Visitors present their identification card, such as a driver's license, for scanning. The entrant is screened against a national sex offender database and site-specific alerts for restraining orders and other security issues that are customized by each school. Entrants receive a badge that includes their photo, date, and destination. Written procedures have been issued for the District to standardize school access controls. Raptor computers will be replaced this summer and we will move to a new version of the software.

### Video Surveillance

All schools have video surveillance systems with continuous recording. The number of cameras ranges from a minimum of six at most elementary schools to more than 100 at the new and remodeled high schools. Bond security funding is providing dedicated servers for video recording for all sites, as well as a web-based video management system. A key feature of the system will be to allow law enforcement direct access to cameras during an incident. This conversion had been planned to be completed at all schools this school year, but that deadline has been pushed back. The following sites are using the new system: Brantner Elementary, North Elementary, South Elementary, Overland Trail Middle School, Prairie View Middle School, Stuart Middle School, Prairie View High School, the Main Transportation Terminal, Brighton High School, Brighton Heritage Academy, the Network Operations Center and the

Indoor Pool (we now have remote access to the pool cameras). Additional work is ongoing to replace/add video surveillance cameras following the renovation work at Brighton Heritage Academy and Brighton High School. The new schools are receiving all IP systems, as Brantner did. The Educational Service Center will also be receiving video surveillance. All remaining schools will be receiving additional cameras through bond projects; generally, they will be installed at the same time as the electronic access system since both projects require cable runs. The Transportation Department has multiple cameras on a separate system on most buses. Some older buses retained for back-up do not have video or GPS tracking.

Proactive use of live video at schools on dedicated monitors in the office area is an important use of the cameras since it can help prevent or detect a security threat. Authorized personnel, including School Resource Officers, district staff, administrators and other school staff utilize video.

### After-Hours Security

All school buildings have intrusion detection systems that include motion detection in the main corridors to provide after-hours protection from theft and vandalism. A number of other district buildings are also protected through intrusion detection, including the Network Operations Center, the Nutrition building, the Indoor Pool building, and the Main Transportation Terminal. Intrusion panels are being replaced throughout the District. They are managed with a web-based interface for users, and alarms are centrally monitored by a contracted firm for appropriate dispatching.

### Emergency Actions

School safety depends on quickly implementing emergency protocols, such as Lockout and Lockdown, or Shelter for a tornado warning or outside hazardous material release. Some sites have the capability to use electronic controls to quickly lock exterior doors, or shut interior corridor doors to restrict the movement of an intruder. All schools will be receiving duress systems that include technologies for quick implementation and notification for Lockdown actions if there is a threat inside the building. Implementation of the installed systems at Reunion, Vikan and Brighton High School is still underway. Remodeled schools get new door hardware with locksets that are keyed on both sides to facilitate Lockdown.

Carbon monoxide (CO) detection is a new requirement, and bond funds will provide systems in all schools to detect a release and notify appropriate personnel. To date, Reunion and Vikan have had CO detection installed.

### Fire Protection

All schools have remotely monitored fire alarm panels to ensure rapid notification of emergency responders in case the system alarms. Fire Code requires new schools to have systems with audible announcements, which Reunion and Riverdale Ridge have installed. All the school fire protection systems include smoke detection, alerting pull stations, fire extinguishers, and emergency lighting. Modular classrooms also have these systems and include notification systems for the main office if there is an alarm. More than half of the schools are protected by full sprinkler systems. The Educational Service Center, the Network Operations Center and the Main Transportation Terminal also have remotely monitored fire protection systems.

## **Back-Up Power**

Eleven schools have emergency natural-gas generators to provide long-term back-up power for critical functions such as emergency lighting and fire panels. Of the elementary schools, Reunion and North have emergency generators at this time. Short-term UPS battery backup prevents interruption in service while the generators automatically start during an outage. UPS battery back-up is the sole-source of back-up power on critical systems at sites without generators. The generator at the Network Operations Center has the capacity to back up power for the entire technology building and protects District network services equipment in that building, including the phone system, servers, and internet connectivity. The school renovation projects at Brighton High School and Vikan added back-up generators to those sites. The District has identified goals for additional equipment that should be backed up by generators at the remaining sites and will implement those goals as funding allows.

## **Summary**

A number of safety and security projects being funded by the construction bond are being implemented. It is notable that security and safety were key considerations in the design of the 27J new schools. A recent informal poll of security managers in the Denver metro area showed that many are not included in the school building design process.

Protocols for how the new security technologies will be operated at each site are being developed with these first installations. It is important to recognize that physical security depends on vigorous implementation of consistent management systems in order to ensure school security. Like other school districts, we are reviewing the lessons learned from the school shooting in Parkland, Florida to see how we can improve.

## **Grounds**

The District owns and maintains 24 developed sites containing approximately 406 acres. The District also owns six parcels of vacant land or land with schools under construction consisting of approximately 83 acres for future school sites that must be maintained as well.

Although not presently deeded to the District, there are another 15 parcels containing approximately 215 acres that have been identified as future school sites that are in varying stages of municipal approval and/or dedication. District staff continuously monitors these processes and works closely with our governmental partners to ensure adequate school sites for future enrollment.

## SD27J DEVELOPED SITES

Site	Acres	Address
Brantner PK-5	14.92	7800 E 133rd Ave, Thornton
Brighton Heritage Academy 8-12	3.6	830 E Bridge St, Brighton
Brighton HS 9-12	28.2	270 S 8th Ave, Brighton
CLC		360 S 8th Ave, Brighton
Educational Service Center	13.282	18551 E 160th Ave, Brighton
Technology Annex	14.06	630 S 8th Ave, Brighton
Henderson PK-5	14.52	12301 E 124th Ave, Henderson
North PK-5	2.18	89 N 6th Ave, Brighton
Northeast PK-6	9.437	1605 Longs Peak St, Brighton
Overland Trail MS 6-8	15	455 N 19th Ave, Brighton
Pennock PK-5	7.83	3707 Estrella St, Brighton
Prairie View HS 9-12	55.594	12909 E 120th Ave, Henderson
Prairie View MS 6-8	22.6	12915 E 120th Ave, Henderson
Reunion PK-5	10.0016	11021 Landmark Ave, Commerce City
Riverdale Ridge HS	73.04	13380 Yosemite St, Thornton
Second Creek PK-5	14.7268	9950 Laredo Dr, Commerce City
South PK-5	3.67	305 S 5th Ave, Brighton
Southeast K-5	11.58	1595 Southern St, Brighton
Stuart MS 6-8	22.094	15955 E 101st Way, Commerce City
Swimming Pool	3.1506	565 Southern St, Brighton
Thimmig PK-5	6.4163	11453 Oswego St, Henderson
Transportation Facility	19.9	11701 Potomac St, Brighton
Turnberry PK-5	10.38	13069 E 106th Pl, Commerce City
Vikan MS 6-8	19.68	879 Jessup St, Brighton
West Ridge PK-5	10.091	13102 Monaco St, Thornton
<b>Total Acres</b>	<b>405.9533</b>	

## SD27J FUTURE SCHOOL SITES – OWNED

Jur*	Site	Acres	Potential Usage
BR	Brighton East Farms Filing 2	15	ES
BR	ESC - 18551 E 160th Ave	10	ES
BR	Indigo Trails – 1/2 mi N of 144th Ave, W of 19th Ave alignment	13.18	ES
BR	Mountain View Estates – N of Denver St, E of 27th Ave, W of Telluride St	10	ES
TH	Talon Pointe – Monaco St & 156th Ave	11.1167	ES
TH	Timberleaf - 136th Ave & Yosemite St (Quist MS)	23.4532	MS
	<b>Total Acres</b>	<b>82.7499</b>	

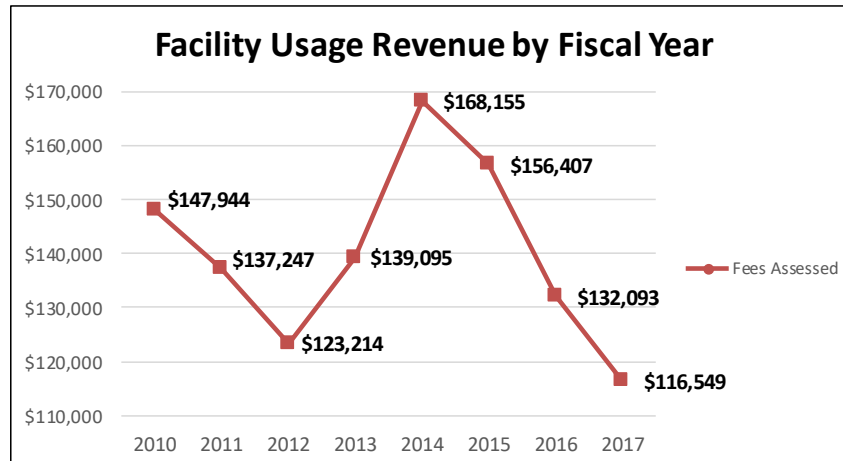
## SD27J FUTURE SCHOOL SITES – IN PROCESS OF ACQUISITION

<b>Jur*</b>	<b>Site Location</b>	<b>Acres</b>	<b>Potential Usage</b>
BR	Brighton Crossings Filing 2	10	ES
BR	Brighton Lakes – Between 136th Ave & 144th Ave; Sable Blvd & Buckley Rd	10.1	ES
BR	Prairie Center – ½ mi S of Bromley Ln, E of Buckley Rd, N of 144th Ave	9.672	ES
BR	Prairie Center - Sec 20 T1S, R66W	20	MS
CC	Buckley Crossing – ½ mi N of 112th Ave between Buckley Rd & Tower Rd	15	MS
CC	Reunion – NE of 96th Ave & Buckley Rd	48	HS
CC	Reunion – S of 104th Ave between Peoria St & Potomac St	10	ES
CC	Reunion – S of 104th Ave between Potomac St & Chambers Rd	10	ES
CC	Reunion – Southlawn – S of 104th Ave, E of Buckley Rd	10.6142	ES
CC	Second Creek Farm – W of Tower Rd, ½ mi S of 96th Ave	15	ES
CC	Villages at Buffalo Run East – E of Chambers Rd, ½ mi N of 112th Ave **	6.19	ES
TH	North End Station – N Hwy 7 between Holly St & Colorado Blvd	10	ES
TH	The Parterre – N of E470, E of Quebec St	20.29	MS
TH	The Parterre – S of E470, W of Quebec St	9.7	ES
TH	Willow Bend – W of Holly St, N of 144th Ave	10.1348	ES
	<b>Total Acres</b>	<b>214.701</b>	
* The jurisdiction in which the property exists.			
AC = Adams County; BR = Brighton; CC = Commerce City; TH = Thornton			
** This property was dedicated as a school site by the developer, however, a clause in the PUD Zone document states that if a permanent elementary school facility has not been constructed by the latter of July 17, 2010 or a date that 80% or more single family units in The Villages at Buffalo Run East and West have been sold, then the school site will revert to the developer. To date approximately 64% have been sold, and in all likelihood the property will revert to the developer.			

### **Facility Leasing**

District facilities are used by a number of entities for non-school purposes. The largest groups of users for non-school purposes are local municipalities. These uses are largely governed by intergovernmental agreements (IGA) executed by the parties. Users in this category are exempt from fees. The District also allows for the use of its facilities on a fee basis for other profit and not-for-profit organizations. A second category made up of non-governmental groups that serve District students was previously exempt from fees. Pursuant to a staff recommendation, the Board eliminated all exemptions except for those governed by existing IGA's and instituted a reduced fee for the previously exempt groups. The purpose of the change was to assist in the recovery of the costs of administering the building usage program.

The chart below illustrates the revenue assessed by fiscal year.



The continuing trend in the reduction of fees charged for the use of District facilities is a reflection of the increased use of the facilities by exempt groups and the growing lack of availability of these facilities for use by non-exempt groups. This trend is likely to continue until additional schools are built opening additional opportunities for usage by non-exempt groups.

Staff will continue to monitor revenues from the lease and use of District facilities and will work to maintain a balance between allowing community use of facilities without placing the financial burden of such leases on the District and/or its instructional process. Amendments to existing agreements are being discussed between interested parties that could result in fees being charged for the municipal uses of our facilities.

There are currently no charges associated with the leasing of District fields and other outdoor spaces. Given the growing demand for these requests and the need to adequately monitor and maintain these facilities, this practice is being reviewed and may result in the charging of fees in the future for the use of these spaces.

### **Data Processing Equipment**

The District owns and operates approximately 75 miles of a fiber-based switch network to provide broadband voice and data communications between facilities. Utilizing 2015 bond funds the network has been extended to Reunion Elementary and a major replacement of the fiber from the Network Operations Center to the District's schools in the west planning area, including Riverdale Ridge High School and Quist Middle School, has been completed. Future extensions will be needed to serve Elementary School #13 in the Brighton Crossings subdivision.

The District also owns and operates an integrated telephone switching system that includes a primary District-wide phone switch with voice mail and individual sub-switches in school buildings. The District ensures protection of these systems through qualified vendor maintenance contracts. Contract specifications assure high availability of service and spare equipment to maintain 32 phone switches, and 276 data switches.

District staff monitors and is notified of any disruptions of these critical systems and has implemented the following support standard:

Maintain an operational availability (uptime) of 97.9% during the normal business hours of the District (7:00 AM - 4:30 PM, M-F).

All systems are currently being monitored, either via automation or manually, and have a 99.5% average operational availability this year.

The District has in place maintenance contracts on the building level switches and phone equipment installed in the District. The District also keeps a parts inventory to be able to make repairs and replace damaged equipment in a timely manner.

The District continues to monitor, correct, and protect the fiber network from any damage that may occur. Established relationships with multiple vendors expedite any repair work that may be needed.

### **Computers**

There are 10,862 devices within the District. The following chart illustrates the total number of computers within the District and their expected replacement dates.

Type of Device	Total	To Be Replaced in 2018	To Be Replaced in 2019	To Be Replaced in 2020	To Be Replaced in 2021	To Be Replaced in 2022
PC	2294	250	540	477	429	598
Laptop	595	89	82	251	50	123
Surface	94	4	23	1	38	28
VDI	808	808				
Chromebox	717					717
Chromebook	5542	1816	962	2235	529	
iPad	812	325	194	93	100	100
Other						
<b>Total</b>	<b>10862</b>	<b>3292</b>	<b>1801</b>	<b>3057</b>	<b>1146</b>	<b>1566</b>

This plan will ensure that no computer within the District will exceed five years of age. The newest computers will continuously be placed in high schools, and the older computers “cascaded” downward through the grades where less computing capability is required.

Teacher computers have been replaced with less expensive thin client computers. All costs for central administration replacements will be absorbed through building/departamental budgets.

This plan requires full and continuous implementation. Failure to do so may result in the loss of access to fully operable computers for our students and staff.



## **Telephone Systems**

Currently the District operates on three telephone systems: one is 21 years old, one is 13 years old, and the other is six years old. The oldest system is at full capacity, cannot be expanded, and is rapidly becoming obsolete. An upgrade project utilizing components compatible with our current systems has been postponed due to lack of funding.

## **Technology Maintenance Schedule**

Currently the District sets aside one weekend each month to perform preventive maintenance/updates on all hardware and software the District has in its production environment.

## **Vehicles**

The District's white fleet consists of 112 pieces of motorized equipment including pickups, tractors, mowers, etc., and 121 transportation vehicles including full size buses and Micro Birds. Maintenance services and inspections are performed by certified mechanics on all vehicles at the Main Transportation Terminal.

The vast majority of District owned vehicles are required to provide transportation services to students. According to reports filed with the Colorado Department of Education for the 2016-2017 school year, a total of 1,372,356 miles were traveled to support students. For the current school year, there are 8,516 students eligible for transportation services by their home address or qualifying condition. Over 4,800 students have utilized transportation during the current year.

A current review of the mileage of the transportation fleet indicates that eight of the buses have mileage that exceeds 300,000 miles - two buses have mileage in excess of 400,000 miles. An additional 23 buses have mileage in excess of 200,000 miles. High mileage buses remain on the fleet to provide additional student capacity but are restricted to low mileage in-district routes.

The State of Colorado does not have a standard bus replacement schedule based on the age of the vehicle due to the fact that Colorado is not considered a high rust state. Industry standards suggest replacement at 350,000 miles on a diesel engine due primarily to new emission standards and 250,000 miles on propane engines.

The District has been attempting to keep pace with the demand for transportation services by making significant investments in this area over the past few years with the replacement of 11 buses and the addition of 18 buses in 2012, two buses in 2014, and eight buses in 2015. A Micro Bird was purchased utilizing FY 2016 Capital Reserve Funds and has been added to the fleet. In January 2018, through the use of bond premiums and interest earned on the 2015 School Construction Bond investments, the department received nine full size buses and two Micro Birds. One full size bus and one Micro Bird have specialized equipment for the transportation of students with special needs.

The chart below compares the mileage of the fleet over the past five years:

	2014	2015	2016	2017	2018
Mileage	Number of Buses	Number of Buses	Number of Buses	Number of Buses	Number of Buses
400,000+	1	2	2	3	2
300,000-399,999	11	11 (all 340,000+)	6 (four at 340,000+)	7	6
200,000-299,999	7	11	17	23	23
100,000-199,999	37	34	35	33	31
50,000-99,999	19	18	24	31	41
0-49,999	34	41	27	15	18
Total	109	119	111	112	121

In the early morning hours of October 7, 2017 a bus caught fire in the main lot located at 11701 Potomac. The fire was called in by a passing motorist and was quickly extinguished by the local fire department through the use of water brought on site by the fire department. After a thorough investigation, the cause of the fire was believed to be an electrical short in the block heater on the bus. The SPED bus was totally consumed by the fire and was a complete loss. The District was extremely fortunate that the fire did not spread to other buses which would have resulted in a larger and more significant loss.

As the result of this accident, District staff has worked to design a water line that could be utilized in the event of a future fire. The line is scheduled for construction in the summer of 2018.

The increasing demand for transportation services caused by enrollment growth and increasing numbers of students requiring transportation as part of their Individualized Education Plans will require the District to continue its investment in transportation vehicles or consider reducing service levels. District staff is currently creating and evaluating service options for implementation in the 2018-2019 school year and beyond.

The District's student transportation vehicles are regulated by the Colorado Minimum Standards Governing School Transportation Vehicles as developed by the Colorado Department of Education. The standards provide requirements for the annual inspection of vehicles used to transport students. The annual inspection requires a certified bus mechanic to follow an extensive checklist on the vehicle including damage to vehicles and brake and drive train inspections. If a vehicle fails inspection, it cannot be used to transport students until repaired and re-inspected. After the re-inspection, the certified mechanic must sign a CDE required affidavit stating that the vehicle has been repaired, re-inspected, and is safe to transport students. This affidavit must be kept in the vehicle.

A maintenance and inspection record is established for each vehicle upon purchase and maintained until the vehicle is retired. A review of maintenance records indicates that all student transportation vehicles have been adequately maintained according to state statute and CDE regulations. A similar review of the Preventive Maintenance Status report indicates that all white fleet vehicles have also been reasonably maintained.

A certified bus mechanic is required to have at least two years of maintenance experience on light, medium, and heavy-duty vehicles. The mechanic must pass a written and hands-on performance test initially, and is re-tested every three years. Mechanics participate in a variety of training opportunities to assist in their certification efforts. Documentation regarding mechanic certification is maintained at the Main Transportation Terminal.

### **Nutrition Services**

The Nutrition Services department actively participates in asset protection in order to provide healthy, safe meals that are appealing and a value to students each year. During the 2016-2017 school year, 264,998 breakfast meals and 1,303,623 lunch meals were served. Meals served to students who qualify for free and reduced lunch accounted for 58 percent of the total meals served.

Asset protection is an important element of Nutrition Services' business model, which includes factors such as proper procurement of food, supplies, and equipment, employee training, and the use of internal electronic and accounting controls.

Equipment is typically purchased and installed at new schools as part of the construction process. Replacement of food service equipment is funded by the Nutrition Services department and proper maintenance and care is taken to maintain existing equipment. Staff is also trained on the proper upkeep as well as safe use of all equipment in our kitchens. The District owns and maintains the Nutrition Service equipment that exists in all District schools with the exception of Brighton Heritage Academy. The Nutrition Services Department, via separate operating agreements, provides services to all of the District's charter schools and maintains the equipment in those facilities.

Food and other operating supplies are purchased following federal, state, and District procurement regulations. Nearly two-thirds of the Nutrition Services revenues are tied to state and federal sources. The Nutrition Services Department operates without any revenue subsidy from the District's General Fund.

### **Summary**

In addition to the construction of new schools and the significant renovations of others, the 2015 School Construction Bond has provided much needed and significant financial resources to support and expedite the maintenance, repair and/or replacement of many of the District's facilities and/or capital equipment. Many of these deferred maintenance projects were completed as stand-alone projects and others within the scope of larger renovation projects. Others are scheduled for completion in the near future.

The estimated value of the District's buildings now exceeds four hundred million dollars. The District also owns other capital assets worth several million more. All of these assets vary in age and therefore the capital maintenance, repair and replacement schedule required to protect these assets is complex and never ending. Given these diverse and costly needs, it is highly unlikely that there will ever be a time that all assets are maintained within the high standard of manufacturer's recommended life cycle replacements.

However, staff believes that the condition of our facilities and equipment will continue to improve through the investment of dollars provided by the 2015 School Construction Bond program.

Staff also believes that the data contained in this report provides adequate evidence of significant improvements and supports a change in the status of this subsection from the report of non-compliance initiated in 2015 to a status of compliance.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**3. Operate without employing risk management practices to minimize exposure of the organization, its Board, or staff to claims of liability.**

*I interpret exposure as potential vulnerability to legal claims.*

*I interpret liability as legal judgments and costs. This is interpreted to mean that the Superintendent shall have in place reasonable processes, policies, and procedures with the intent of mitigating claims of liability against the District or its employees.*

**Data Reported**

The District is protected under the statutes of the Colorado Governmental Immunity Act to a maximum of \$350,000 per individual and \$990,000 per occurrence for liability exposure.

As of April 1, 2017 there are seven claims outstanding for the District.

Claim Type	Status	Description	Date
Liability	Open	Insured's vehicle rear-ended vehicle 1 into vehicle 2	3/18/2015
Liability	Open	Bus Accident	4/18/2016
Liability	Open	Head hit seat in front of him	4/18/2016
Liability	Open	Bus rear-ended other vehicle	4/18/2016
Property	Open	Bus Accident	2/21/2018
Property	Open	Auto Accident	3/13/2018
Collision	Open	Damage to District Bus	3/14/2018

In addition to the information garnered from the annual financial audit, the District has in place numerous Superintendent policies designed to mitigate claims of liability against the District. These policies include, but are not limited to, the following examples:

ACE-EI	Notice of Non-Discrimination
BCB	Board Member Conflict of Interest
DJB-R	Purchasing Procedures
EBB	Accident Prevention Safety
GBAA	Sexual Harassment
JLIA	Supervision of Students
KDE	Crisis Management
LC	Conducting Education Research

**Conclusion: I report compliance.**

**The Superintendent will not:**

- 4. Allow any purchase wherein normally prudent protection has not been given against conflict of interest.**

*I interpret prudent as shrewd and cautious as applied to action or conduct.*

*I interpret protection as having reliable processes to prevent an undesirable end.*

*I interpret conflict of interest as a financial conflict between the private interests and the official responsibilities of a person in a position of trust.*

#### **Data Reported**

In the Comprehensive Annual Financial Report presented to the Board on December 8, 2015, the auditors identified no conflicts of interest in their tests of data in the District. In addition to the information garnered from the annual audit, the District has in place Superintendent Policies designed to eliminate potential conflicts of interest. These policies include:

DJG	Vendor Relations
GBEA/B	Staff Conflicts of Interest and Ethics

**Conclusion: I report compliance.**

**The Superintendent will not:**

- 5. Allow the purchase, disposal, or lease of real estate or personal property valued at more than \$20,000 without having obtained comparative prices through a fair vendor bidding process with supporting documentation.**

*I interpret having obtained to mean seeking and acquiring.*

*I interpret comparative prices and quality to mean two or more written bids on all single item or single service purchases.*

#### **Data Reported**

No purchases of real estate have been conducted by staff or presented to the Board for action since the last report.

However, a number of real property or real property rights leases have been presented to the Board for action since the last report. Those leases fall into two major categories: oil and gas mineral rights and other property leases. Staff has also recommended and the Board has approved of the disposal of other real estate assets.

## **Oil and Gas Mineral Rights**

Recent developments to oil and gas extraction technologies have made minerals under existing and future school sites accessible without any surface disruption to our school sites. The District owns many of these mineral rights. Over the past year, the Board of Education has approved a number of leases for mineral rights located under District owned properties. A summary of the approved leases are as follows:

Common Name	Acres	Bonus per Acre	Total Bonus	Royalty
South Elementary	3.67	\$6,500	\$23,855	23%
Brighton Heritage Academy	3.6	\$6,500	\$23,400	23%
Brighton High North of Skeel St.	3.67	\$6,500	\$23,855	23%
Brighton High South of Skeel St. inc. all fields, exc. portion of CLC and parking lots	22.48	\$6,500	\$146,120	23%
Indoor Pool and Tennis Courts	3.15	\$6,500	\$20,478.90	23%
Brighton High inc. CLC and parking lots	0.93	\$6,500	\$6,045	23%
Vikan Middle and Fields	23.53	\$6,500	\$152,945	23%
Nutrition Services and Little League Fields	10.91	\$6,500	\$70,979.35	23%
Southeast Elementary	11.58	\$6,500	\$75,270	23%
Northeast Elementary	9.43	\$6,500	\$61,340.50	23%
Pennock Elementary	7.83	\$3,000	\$23,490	20%
ESC	9.54	\$3,000	\$28,620	20%
Brighton East Farms (51%)	15	\$3,000	\$22,950	20%
Brantner Elementary	14.92	\$5,000	\$74,600	21%
<b>Total</b>			<b>\$679,348.75</b>	

All bidding for the rights to acquire these leases was conducted by an independent third party as part of a cooperative effort with the City of Brighton to gain the most value for the respective organizations by combining the total acreage available for lease.

## **Other Property Leases**

The Board of Education was presented with information regarding a lease of property to locate a cell tower near Vikan Middle School on January 23, 2018. The lease was approved pending final negotiations with AT&T. As of this report the lease has not been executed. Due to the unique nature and purpose of this lease the regular vendor process is not applicable.

## **Disposal of Real Estate**

The Board of Education was presented with information on two other occasions related to the disposal of real estate.

The first was related to the dedication of right-of-way to the City of Brighton for the construction of South 19<sup>th</sup> Avenue. The dedication of the 0.94 acre (41,138 square feet) parcel was approved by the Board of Education on August 22, 2017. As of this date, this dedication has not been accepted by the City.

The second item was related to the reduction to the size of a District owned school site in the Talon Pointe subdivision located in the northwest intersection of 152<sup>nd</sup> Avenue and Quebec Street in Thornton. The Board authorized this reduction on December 12, 2017 and the final plat has yet to be approved by the City of Thornton. Due to the unique nature and purpose of these property disposals the regular vendor process is not applicable.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**6. Engage in design, construction, or any other aspect related to development of real property including financing or payment for such services, without obtaining comparative prices through a fair bidding process with supporting documentation.**

*I interpret comparative prices to mean two or more written bids.*

### **Data Reported**

In preparation for construction projects included in the 2015 school construction bond election, staff conducted fair comparative bidding processes to select parties related to the financing, design and construction of facilities contained in the bond request.

A list of those processes is as follows:

### **FY 2018 Bid Services Report**

Furniture for New Schools RFP	Feb 2017
Quist Middle Owner Rep RFQ/P	Feb 2017
BHS & PVHS Tennis Court Resurface RFP	April 2017
Henderson Modular Ramps Removal RFP	April 2017
Parking Lot Replacements RFP	April 2017
Reunion School Flashing Lights RFP	May 2017
PVMS & SMS Gym Lighting Upgrades RFP	June 2017
Security Vendors RFQ	July 2017
Civil Engineering On-Call Services RFQ	July 2017
Architect Small Projects RFQ	November 2017
Reunion School Crosswalk Striping	November 2017
Field Lighting Install RFP	January 2018

RFQ/P-Request for Qualifications and Proposal

CM/GC-Construction Manager/General Contractor

The appropriate departments maintain supporting documentation for the processes.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**7. Allow the Board to be unaware of the acquisition, encumbrance, lease, or disposal of real estate valued at more than \$20,000 without providing the Board with information for discussion prior to a final decision being made.**

*I interpret providing the Board with information to mean distributing relative and pertinent facts to all board members through either verbal or written methods of communication.*

*I interpret for discussion prior to a final decision being made to mean the Board is in receipt of such information prior to the establishment of the next Board agenda.*

## **Data Reported**

### **Oil and Gas Mineral Rights**

Common Name	Acres	Bonus per Acre	Total Bonus	Royalty	Date Notified	Date Approved
South Elementary	3.67	\$6,500	\$23,855	23%	7/10/2017	7/25/2017
Brighton Heritage Academy	3.6	\$6,500	\$23,400	23%	7/10/2017	7/25/2017
Brighton High North of Skeel St.	3.67	\$6,500	\$23,855	23%	7/10/2017	7/25/2017
Brighton High South of Skeel St. inc. all fields, exc. portion of CLC and parking lots	22.48	\$6,500	\$146,120	23%	7/10/2017	7/25/2017
Indoor Pool and Tennis Courts	3.15	\$6,500	\$20,478.90	23%	7/10/2017	7/25/2017
Brighton High inc. CLC and parking lots	0.93	\$6,500	\$6,045	23%	7/10/2017	7/25/2017
Vikan Middle and Fields	23.53	\$6,500	\$152,945	23%	7/10/2017	7/25/2017
Nutrition Services and Little League Fields	10.91	\$6,500	\$70,979.35	23%	7/10/2017	7/25/2017
Southeast Elementary	11.58	\$6,500	\$75,270	23%	7/10/2017	7/25/2017
Northeast Elementary	9.43	\$6,500	\$61,340.50	23%	7/10/2017	7/25/2017
Pennock Elementary	7.83	\$3,000	\$23,490	20%	2/18/2017	4/25/2017
ESC	9.54	\$3,000	\$28,620	20%	2/18/2017	4/25/2017
Brighton East Farms (51%)	15	\$3,000	\$22,950	20%	2/18/2017	4/25/2017
Brantner Elementary	14.92	\$5,000	\$74,600	21%	9/17/2017	9/26/2017
<b>Total</b>			<b>\$679,348.75</b>			

### **Other Leases and Disposals**

Lease/Property	Date Notified
Talon Pointe	12/12/2017
City of Brighton Right of Way for South 19 <sup>th</sup> Ave.	8/22/2017
AT&T Cell Tower Lease	1/23/2018

There have been no other acquisitions, encumbrances, or disposal of real estate.

**Conclusion: I report compliance.**



## **The Superintendent will not:**

### **8. Fail to protect intellectual property, information, and files from loss, improper access, or significant damage.**

**a) The Superintendent shall not fail to maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.**

*I interpret intellectual property, information, and files to mean the electronic data stored on the District servers and hardcopy records retained and used by the District for District administration and school site level purposes both original and not.*

*I interpret significant damage and loss as the inability to utilize the resource.*

*I interpret improper access as access to a resource that is not approved or allowed.*

## **Data Reported**

### **Significant Damage and Loss**

File backups, including multi-site storage, are conducted on a daily basis. Backup logs show that the automated and manual backups are completed 99.9% of the time. These backups are regularly tested to make sure that the data can be restored if needed in the future.

Industry best practice system redundancies, advanced Redundant Array of Inexpensive Disks (RAID), N+1 configurations, and replication of data have been implemented on all critical servers and systems. The District utilizes a Storage Area Network (SAN) device to protect the data at a rate of over ten times the normal protection of a standard server system and to support a disaster recovery model in case something catastrophic happens to the Network Operations Center.

The District also utilizes a system called “Virtual Servers” which helps lower the operational costs of these servers and to help spread the data out over multiple physical servers to make sure it is more protected and easier to backup and restore.

The District owns an emergency power generator at the data center to protect from power loss for an extended period of time. The generator is powered by natural gas, which requires less maintenance than a traditional diesel generator. The generator is tested weekly to confirm it is performing properly.

### **Improper Access**

A firewall has been erected around the entire District data network to protect against damage due to unauthorized access. Regular review and compilation of security logs and automated alert systems notify staff of any unusual activity on the network so that it can be corrected immediately. This is an area that needs more attention; the District has started to take steps to identify recent areas of concern. This year we have three instances of improper access to the system. The District has since put in two-factor authentication in mission critical areas to help detour improper access; however, more work needs to be done around the area of security as funding becomes available.

Internet content filters have been deployed to guard against misuse of District computer and network assets. These include standard web-based filters as well as network filters.

User IDs and passwords are required for access to the network and to assign security credentials for access to sensitive systems.

### **File Retention**

The District's established records retention schedule, based on the recommendation of District legal counsel, is to accept the current Colorado School District Records Management Manual as prepared by the Colorado State Archives on September 25, 2007.

The District has obtained approval from the Colorado State Archives to use this retention schedule. This schedule is based on federal and state laws.

The District records retention schedule includes multiple sections that are audited on a regular basis, both hardcopy and electronic, to make sure that the District is maintaining records according to this schedule. The District is currently in compliance with the records retention schedule.

The District also utilizes an industry best practice email archive system to make sure that all emails, both incoming and outgoing, sent through the District email system are stored for electronic discovery requests.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**9. Receive, process, or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.**

*I interpret this to mean that the District manages money and money-related transactions using a system of internal controls, which provide for separation of duties, fraud protection, and an authorization process providing reasonable assurance that appropriate controls exist. This is reasonable because independent auditors review these controls on an annual basis and report their findings to District administration and the Board of Education.*

### **Data Reported**

The Local Government Audit Law (C.R.S. 29-1-601 et seq) requires the District to have an annual audit of its financial statements. The law states that the audit must be performed by an independent Certified Public Accountant (CPA) and be in accordance with generally accepted auditing standards. The Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement, and according to Section 29-1-606, C.R.S., financial statements must be approved, published, and submitted to the state auditor within six months of the close of each fiscal year. The District management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls that it has established for this purpose. The independent CPA publishes a management letter providing additional information on internal control and suggestions for improvement.

The auditors presented their comments and observations of the FY 2017 audit at the December 12, 2017 Board Meeting. Their management letter included a deficiency surrounding internal controls pertaining to construction accounts payable review and reconciliation. As stated by the auditors, there were four construction payment applications where work was performed during the fiscal year but had no accrual during the year-end process. Since the year-end audit, the District has included this process in our documented internal control framework. The District does not anticipate this finding to be recurring or an issue in the audit of FY 2018. To maintain consistency with data reported in January 2018 in the 3.D Expectation of the Board Report, Financial Conditions, a conclusion of non-compliance at this time is reported.

**Conclusion: I report non-compliance.**

**The Superintendent will not:**

**10. Compromise the independence of the Board's audit or other external monitors or advisors. Engaging parties already chosen by the Board as consultants or advisers is not permitted.**

*I interpret audit or other external monitors or advisers to mean entities which are independent of School District 27J who perform a professional service to the Board of Education in a contractual or informal manner.*

*I interpret engaging parties already chosen by the Board as consultants or advisers is not permitted to mean that the Superintendent or his designees are forbidden from entering into any relationship that would diminish the integrity of the Board's prerogative to independently seek input.*

*I interpret this to mean that the Superintendent of schools will put into place policies and protections that would prohibit internal processes which would directly or inferentially compromise the integrity of external information being presented to the Board of Education for the purposes of substantiation of presented data.*

### **Data Reported**

During the past year, the Board of Education of School District 27J was a party to two external contractual agreements. One with RubinBrown LLP for the District's annual audit and the second with Dr. Rod Blunck for consulting services.

Staff did not engage either of the consultants or advisers used by the Board of Education.

**Conclusion: I report compliance.**

**The Superintendent will not:**

**11. Invest or deposit funds that do not comply with the District’s Investment Policy and applicable State law.**

*I interpret this to mean that all District funds are invested or deposited according to the applicable Colorado Revised Statutes (“CRS”) including:*

- a. CRS 11-10.5-101, et. seq., Public Deposit Protection Act (“PDPA”);*
- b. CRS 24-75-601, et. seq., Funds – Legal Investments;*
- c. CRS 24-75-603, Depositories;*
- d. CRS 24-75-701, et. seq., Local governments – authority to pool surplus funds.*

**Data Reported**

All funds are deposited or invested according to applicable state law. The District has adopted an Investment Policy which complies with state law but is more restrictive in diversification and credit exposure. Authorized investments include, but are not limited to:

- Obligations of the United States Treasury
- Agencies and Instrumentalities of the federal government
- Bank deposits collateralized according to PDPA
- AA or AAA rated corporate bonds
- A-1 or P-1 rated commercial paper or negotiable certificates of deposit
- A, AA or AAA rated municipal bonds
- Money market mutual funds
- Local government investment pools (“LGIP”)

All securities are held in a bank safekeeping or custodial account. Security transactions are executed on a delivery vs. payment basis. The District receives monthly statements on all investment accounts. Investments in local government investment pools (Colotrust and CSAFE) and money market mutual funds (CSIP) shall be rated AAAm.

**Data Reported**

Investments organized by investment instrument for funds consist of:

<b>Investment</b>	<b>Amount at January 31, 2018</b>	<b>Interest Rate at January 31, 2018</b>
ColoTrust	\$ 2,250,621	1.51%
CSAFE	\$ 1,282,554	1.42%
Wells Fargo Trust	\$ 3,027,210	0.07%
PFM : 2015 Issuance	\$ 52,433,857	1.17%
PFM : 2017 Issuance	\$ 104,568,591	2.09%
<b>Total Investment</b>	<b>\$ 163,562,833</b>	

<b>As of January 31, 2018</b>		
ColoTrust Agency & Trust Fund 72	40,851	
ColoTrust Activity Fund 23	1,162,741	
ColoTrust General Fund 10	984,515	
ColoTrust Impact Fund 26	62,514	
<b>ColoTrust Total</b>	<b>\$ 2,250,621</b>	<b>1.51%</b>
CSAFE Pupil Activity Agency Fund 74	276,699	
CSAFE Nutrition Fund 21	1,005,855	
<b>CSAFE Total</b>	<b>\$ 1,282,554</b>	<b>1.42%</b>
<b>Wells Fargo Trust Debt Fund 31 Total</b>	<b>\$ 3,027,210</b>	<b>0.07%</b>
PFM : Series 2015 GO Bonds	52,433,857	1.77%
PFM : Series 2017 GO Bonds	104,568,591	2.09%
<b>PFM Asset Management Building Fund 41 Total</b>	<b>\$ 157,002,448</b>	
<b>Totals</b>	<b>\$ 163,562,833</b>	

Investments organized by investment instrument for funds within the Construction Fund consist of:

<b>Fund</b>	<b>Par Amount</b>
PFM Asset Management: 2015 Issuance	
Federal Agency Bonds and Notes	\$ 28,159,753
Commercial Paper	\$ -
Certificates of Deposit	\$ 14,998,354
Government Select, Colorado Investments	\$ 9,275,750
<b>Subtotal</b>	<b>\$ 52,433,857</b>
PFM Asset Management: 2017 Issuance	
Federal Agency Bonds and Notes	\$ 74,672,027
Commercial Paper	\$ 10,375,848
Certificates of Deposit	\$ 17,860,199
Government Select, Colorado Investments	\$ 1,660,517
<b>Subtotal</b>	<b>\$ 104,568,591</b>
<b>Totals</b>	<b>\$ 157,002,448</b>
<b>Interest Rate</b>	Varies by maturity date

**Conclusion: I report compliance.**

**The Superintendent will not:**

**12. Endanger the organization's public image, its credibility, or its ability to accomplish goals.**

*I interpret public image as inclusive of the opinions and perceptions of the taxpaying public at large, governmental entities, and private companies that assist in the development of District assets, including facilities and equipment.*

*I interpret credibility as maintaining high public trust as ethical stewards for the community.*

*I interpret to accomplish goals as meaning the District's image will not detract from the organization's ability to meet the goals.*

**Data Reported**

The protection of the District's public image and credibility as it relates to its ability to accomplish its goals is a responsibility shared by all of the Superintendent's staff. This report will focus primarily on the communication efforts made by staff to support and protect the District's public image as well as two surveys of the entities that assist in the development of District assets. Other data related to the organization's public image, credibility, and ability to accomplish goals will be reported in Report 3.A – Treatment of Students/Public.

**Surveys**

To ascertain private business, government officials' and or community leaders' perception of the District's public image, credibility, and/or its ability to accomplish goals related to the protection and development of the District's capital assets, two surveys were conducted. The confidential, on-line surveys were conducted under the auspices of the 2015 Bond Oversight Committee consistent with its charge to monitor and communicate to the general public the activities and expenditures of the 2015 School Construction Bond program. The information received through this survey will be reported to the Bond Oversight Committee directly and to the Board through this report.

The surveys were initiated on March 26, 2018 and potential respondents received three reminders to complete their respective survey. While the number of responses received was low and likely inconclusive, it does provide general information relative to the District's credibility and ability to meet its goals as it relates to the development of District assets.

The first survey was directed to private contractors who have submitted bids to perform services in a wide variety of construction projects. The second survey was e-mailed to governmental officials and/or community leaders to ascertain their knowledge of the 2015 School Construction Bond program.

Ninety-one surveys were e-mailed to private contractors who submitted bids to perform services in a variety of construction projects. Nineteen responses were received. The survey questions and results are as follows:

Did you receive adequate notice to bid District projects?

Yes - 19    No - 0    N/A - 0

Was the bid information adequate enough for you to submit a bid/proposal?

Yes - 17 No - 2 N/A - 0

Did you receive timely and complete responses to questions about bid submittal information?

Yes - 17 No - 2 N/A - 0

Will your firm be bidding on future projects with School District 27J?

Yes - 19 No - 0 N/A - 1

Comments:

- We are unaware of future opportunities.
- Qualifications were requested. There was no indication on scoring regarding the presentation. I didn't include a cover sheet, and was kicked out primarily for that reason. I thought it was a technical RFQ, so had only included a cover letter, not a cover sheet.

The second survey was sent to 45 government official survey and/or community leaders. Seven responses were received. The survey questions and results are as follows:

Are you aware of the projects and progress made towards completing the projects related to the 2015 Bond Program?

Yes - 6 No - 1 N/A - 0

If so, how did you receive information related to the 2015 Bond Program?

- [Received information through] e-mails, website, school board
- [Received information through] on going correspondence with the city
- Website

Do you trust the District to accomplish the goals of the 2015 Bond Program in an ethical manner?

Yes - 7 No - 0 N/A - 0

Does the District build positive relationships with your organization as it relates to the development of the District's capital assets?

Yes - 7 No - 0 N/A - 0

### **Communications**

The District has made a concerted effort to increase the quality and volume of its communication efforts over the past fourteen months as well as to increase the use of social media platforms (Facebook/Twitter/Instagram) to extend the reach, focus its efforts and improve the affordability of its efforts.

Examples of its use of social media are as follows:

- Preschool Registration: Facebook boosted post/advertisement reached 9,405 people, elicited 430 engagements including 341 links clicks (to preschool program webpage) and had 63 likes, 14 comments and 31 people shared the post. Due to this posting and other marketing efforts, the program reached capacity at all locations for 2017-2018.
- Human Resources and Work@27J: Advertised open positions and their annual Job Fair in April. The following positions were posted to Facebook and had enormous reach.
  - Brantner Principal (2,711 Reached)
  - Child Care Program Leader (2,855 Reached)
  - Grant Accountant (2,121 Reached)
  - Rodger Quist Middle School Principal (1,460 Reached)
- Nutrition Services: Highlighted menu options and healthy food choices through the #27JEATS campaign.

Communications actively monitors individual postings from parents and/or the community providing answers to questions and removing inappropriate comments. Communications also frequently scans partner organizations social media to stay on top of issues concerning the District and sharing information with our followers, when appropriate.

The effectiveness of the social media efforts is demonstrated in the following data:

- Facebook followers/likes went from 5,449 to 6,754 (an increase of 1,305)
- Facebook accounts for 94% of social media referrals to [www.sd27j.org](http://www.sd27j.org)
- Since August 2017, 5,275 users have been referred to the District website through social media channels, an average of over 750 referrals a month

The Communications Department has played significant communication roles relative to the 2015 School Construction Bond, the November 2017 Mill Levy Override Election, the school bell schedule changes and the implementation of the Four-Day Student Contact Week. These efforts included the development and use of Frequently Asked Questions formats, letters to parents and newsletters and has greatly increased community visibility through the use of public media outlets including The Brighton Blade, The Denver Post, Westword, Rocky Mountain PBS, Univision, Telemundo, Denver 7 (ABC), FOX 31, 9 News (NBC), and Channel 4 (CBS).

The Communication Department has facilitated the training and enhancement of the use of the District's Website and the implementation of a new application to enhance the District's outreach to parents and staff. The new application, Peachjar, delivers timely information about important school-approved programs like soccer, Girl Scouts & college savings plans. Parents receive digital flyers via email and can also view them on their school website. The programs these flyers advertise help instill critical values like teamwork, confidence and motivation, and can help improve performance in school. Schools are provided a large catalog of templates they can use to create their own school-based flyers. To date 14,422 subscribers have used the application and 738 flyers have been uploaded from schools and community groups.

**Conclusion: I report compliance.**



**The Superintendent will not:**

**13. Change the organization's name or substantially alter its identity.**

*I interpret the organization's legal name to be Adams County School District 27J, Adams/Weld School District 27J, and Brighton School District 27J commonly referenced as School District 27J. I interpret this to mean that the Superintendent of Schools is prohibited from the initiation of any organizational process or the direction of any staff member to put into place any procedure that would substantively alter the District's common and/or legal name. I interpret this to mean the Superintendent shall not put into place or implement any strategy which would subsequently modify the historical or local identity of the school District as a public K-12 system within the state of Colorado.*

**Data Reported**

During the past calendar year, the Superintendent took no action to change the organization's name or alter its identity.

However, it should be noted that the Board of Education, on August 27, 2013, approved a resolution adopting School District 27J as the unofficial name of the District. The action was taken to provide clarity and consistency in publicly released reports, documents and in communication with its various communities.

This action was endorsed by the Superintendent, and it would be his further recommendation that any potential future initiatives to change the identity of the District remain within the purview the Board of Education and subject to an official vote of the Board of Education to avoid any report of non-compliance in this area.

**Conclusion: I report compliance.**