



WESLACO INDEPENDENT SCHOOL DISTRICT

319 W. Fourth Street
Weslaco, TX 78599-0266

Winners. Innovators. Scholars. Doers.

BOARD OF TRUSTEES

Meeting:	Regular Board Meeting
Place:	WISD Board Room
Location:	319 W. Fourth Street
Date:	August 13, 2018
Time:	6:21 P.M.

MINUTES

- I. The meeting was called to order by Erasmo Lopez, Board President.
- II. A quorum was established. The following board members were present.
 - Erasmo Lopez, President
 - Oscar Caballero, Vice President
 - Isidoro Nieto, Secretary
 - Andrew Gonzalez, Trustee
 - Patrick Kennedy, Trustee
 - Dr. Richard Rivera, Trustee
 - Dr. Jaime Rodriguez, Trustee
- III. Opening Prayer

Araceli Chavarin, Campus Instructional Facilitator at Weslaco East High School, delivered the invocation.
- IV. Pledge of Allegiance/Texas Pledge

The following students from Weslaco East High School led the pledge of allegiance:

 - Victoria Mena is the daughter of Ramon and Adelia Mena. She is a senior at Weslaco East High School and is the head drum major of the Wildcat Regiment. Victoria is a three-time Texas State Solo & Ensemble medalist, a UIL academics state medalist, a BPA national alternate, and a member of the National Honor Society and the Hispanic National Honor Society. Victoria plans to be a music major at the University of Texas at Austin.
 - Jorgie Ann Gonzalez is the daughter of Jorge Gonzalez and Pauline Puente. She is first assistant Drum Major for the Weslaco East High School Wildcat Regiment. Jorgie is a State Solo and Ensemble recipient, a member of the National Honor Society and Astronomy Club. Jorgie plans to study at the University of Texas at Austin and major in biology.

- Lori Rodriguez is the daughter of Juan Rodriguez, Jr. and Gracie Rodriguez. She is second assistant drum major for the Wildcat Regiment. She is a two-time All-State Solo and Ensemble recipient. Lori is an honor student and is a member of the National Honor Society. Lori also participates with HOSA and the Interact Club. After graduation, she wants to study at the University of Texas at Austin and major in biology.

V. Awards and Recognitions

Student Recognition

AP Scholars

The Board recognized several high school students who recently received academic recognition on the national level. The College Board's Advanced Placement Program recently recognized several of WISD students for their exceptional achievement on the AP exams. These students took part in college-level courses while still in high school to earn college credit, advanced placement, or both. A small percentage of the millions of students worldwide who took the AP Exams performed at a sufficiently high level to earn an AP Scholar award.

AP Scholars completed three or more AP exams with scores of 3 or higher in subjects that include Biology, Chemistry, World History and English Literature.

From Weslaco East High School, the AP Scholars are:

Marcos T. Aleman	Sorayda J. Castillo	Daniel J. Cordero
Andrea C. Cruz	Joel M. De Los Santos	Arantxa Espinoza
Rocio N. Limon	Jonatan E. Lozano	Victoria A. Mena
Violet M. Mireles	Humberto A. Romo	Kayla A. Saldaña
Analisa Salinas	Eva S. Torres	

From Weslaco High School, the AP Scholars are:

Ian M. Aranda	Jazmine R. Barrios	Brock A. Bloomquist
Elaine M. Castillo	Stephanie Castillo	Clarissa M. De La Garza
Alejandra A. Garcia	Rolando Garcia	Maya A. Garza
Kayla Gonzalez	Brian A. Lowe	Daniela Maldonado
Eryn K. Nelson	Adriana L. Nino	Adamari Ochoa
Maria J. Ontiveros	Alyssa R. Oropez	Morgan D. Parker
Aaron D. Peña	Cecilia Peña	Meagan D. Rodriguez
Gabriela V. Saenz	Logan E. Urbina	Lizbeth Villanueva
Lesly Villanueva-Moli		

Two students earned the AP Scholar with Distinction award. These students had an average score of at least 3.5 on all AP exams taken and scored a 3 or higher on five or more exams. Students are **Cesar E. Maldonado** and **Brianna L. Miranda**.

Mr. Nieto commended the teachers and principals at each respective school for the number of students recognized for this achievement.

Texas Boys State

Several high school students spent their summer forming political parties and passing laws as part of the 2018 American Legion Texas Boys State leadership conference. Weslaco ISD delegates were selected on a highly competitive basis.

From Weslaco High: **Daniel Medina Mireles**

From Weslaco East High School: **Daniel Magana , David Magana, Roberto Torres, Jet Casares, and Humberto Romo**

The Texas Boys State conference was held June 10 -15 at the University of Texas at Austin campus. The conference offers a unique “learn by doing” environment where our delegates run for many state, district, county, and city offices representing fictional political parties.

Girls State

Two Weslaco East High School students were also a part of the American Legion Auxiliary Bluebonnet Girls State conference this summer.

Neida Gutierrez and **Rosie Garza** represented Weslaco during the 74th session of Girls State. These young ladies traveled to the Texas Lutheran University campus in Seguin where they formed “cities,” adopted charters, and elected city officials.

Boys State and Girls State serve to empower young men and women to become community and civic leaders at all levels of government.

The Board President requested to change the order of the day and move the closed meeting items for discussion at this time.

Andrew Gonzalez made the motion to change the order of the day to discuss the closed meeting items as requested. Patrick Kennedy seconded the motion and it passed unanimously.

XI. Closed Meeting to Discuss:

The Board convened in closed meeting at 6:36 p.m. to discuss the following items:

A. Personnel Matters (Tex. Gov’t Code 551.074)

- 1. Employment of Personnel
- 2. Resignations
- 3. Deliberation Regarding the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee (Tex. Gov’t Code 551.074 and 551.071)

- a. Superintendent’s Recommendation for the Position of Principal for Weslaco East High School

B. Consultation with Attorney Regarding: a) Pending or Contemplated Litigation: b) a Settlement Offer: or c) a Matter in Which the Duty of the Attorney to the Weslaco ISD under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code (Tex. Gov’t. Code 551.071)

XII. Reconvene in Open Meeting:

The Board returned to open meeting at 7:21 p.m. to take action on items discussed in closed meeting.

A. Personnel Matters (Tex. Gov't Code 551.074)

1. Employment of Personnel

The Superintendent recommended that the Board approve the contracts of certified professional personnel as presented.

Name	Position	Location
1. Lysandra A. Cavazos	Physical Education Teacher	Weslaco East High School
2. Armando Celedon	Physical Education Teacher	Weslaco East High School
3. Orlando Flores	Biology Teacher	Weslaco East High School
4. Rosa Lopez	French Teacher	Weslaco East High School
5. Claudia Martinez	Chemistry Teacher	Weslaco East High School
6. Saida A. Sanchez	Librarian	Memorial Elementary School
ADDENDUM		
1. Elyssa T. Benavides	Agriscience Teacher	Weslaco East High School CTE
2. Ruben De Los Santos	Mariachi Teacher	Weslaco East High School
3. Craig C. Johnson	Science-Physics Teacher	Weslaco High School

Patrick Kennedy made the motion to approve the contracts of certified professional personnel as presented. Andrew Gonzalez seconded the motion and it passed unanimously.

2. Resignations

The Superintendent recommended that the Board approve the mid contract resignations, subject to finding suitable replacements as discussed in closed session.

Name	Position/Location	Reason/Effective Date
1. Daniel Garza	Science Teacher Central Middle School	Mr. Garza is relocating to West Texas. His resignation is effective June 1, 2018.
2. Roberto Gutierrez	Social Studies Teacher Early College High School	Mr. Gutierrez is relocating to Nueces County and is resigning to accept a position with their school district, effective August 3, 2018.
3. Dustin Pena	Athletic Trainer Weslaco High School	Mr. Pena is resigning to accept a position with another school district. His resignation is pending a suitable replacement.

4. Raymond Villarreal	Title I Regular Director Central Office	Mr. Villarreal is retiring after (39) years in education, with all (39) years of service at Weslaco ISD. Mr. Villarreal had originally submitted his retirement effective September 1, 2018, but as of August 1, 2018, he revised the date of retirement effective August 31, 2018.
-----------------------	--	--

Patrick Kennedy made the motion to approve the mid contract resignations subject to finding suitable replacements as recommended by the superintendent. Andrew Gonzalez seconded the motion and it passed unanimously.

3. Deliberation Regarding the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, or Dismissal of a Public Officer or Employee (Tex. Gov't Code 551.074 and 551.071)

a. Superintendent's Recommendation for the Position of Principal for Weslaco East High School

A committee comprised of six (6) administrators and one (1) teacher interviewed the top seven (7) applicants on August 8, 2018 and August 9, 2019. The top four (4) candidates interviewed again on Friday, August 10, 2018.

The Superintendent recommended that the Board approve Mr. David Gamboa for the position of Principal for Weslaco East High School.

Oscar Caballero made the motion to approve Mr. David Gamboa for the position of Principal for Weslaco East High School as recommended by the Superintendent. Patrick Kennedy seconded the motion and it passed unanimously.

B. Consultation with Attorney Regarding: a) Pending or Contemplated Litigation: b) a Settlement Offer: or c) a Matter in Which the Duty of the Attorney to the Weslaco ISD under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas Clearly Conflicts with Chapter 551 of the Texas Government Code (Tex. Gov't. Code 551.071)

Non-action item.

Isidoro Nieto left the meeting at 7:33 p.m.

VI. Public Comments

- Sergio Garza, Citizen

Mr. Garza made the following comments:

“The reason for me being here today is to express some concerns on ac work at campuses. Yet, the temperature here today is very adequate but imagine if we were sitting here and there was no ac, or if no one had thought that, we should have a portable ac unit. First and foremost, it only makes sense that ac work at a commercial building of any kind should be done when it is not

being occupied. This is usually the best time to do repairs, but if nobody thought of this and if nobody is occupying the building, then it is the responsibility of Central Office staff to provide adequate working conditions. Remember, we are in the U.S. and we cannot have teachers that are not getting paid to be there, teachers that are volunteering their time to prepare for a new school year, teachers that are there for the kids, sweating in closed campuses and some even getting sick over the non-ventilated areas. The custodians have personally seen them, they're out there working and they're cleaning the carpets and the tile. They're doing what they should be doing – performing their duties, but it is very hot in these campuses. Central Office personnel should have portable units ready for staffers. Central Office were the only ones that knew when the projects were gonna start. When contractors are scheduled to be there, ac units are shut down and no units are in place. We live in south Texas; it is very hot here. Temperatures are over 100 degrees. It is a closed non-ventilated building as I had stated earlier. "Who's thinking these processes through?" When the ac's were shut off people were told that it would be two to three days to get the ac system working. However, today marks the third week and there is still no ac in certain areas of several campuses. We have heard many reasons why, and they go on and on and it really doesn't matter why. Some people are saying that the wrong units were ordered, but all we're trying to do is get the ac units back up and working so that the teachers and the staffers that are there that have to be there, can perform their duties. That is all that were asking for, that the ac units out there - that they hurry up. I'm not sure what's holding up the process. The ac unit here is adequate, and what if we didn't have ac units here, everybody would be a little more uncomfortable, it would'nt be a good meeting if ac wasn't working.

On a different note, I noticed on the agenda on letter H that we're wanting to borrow more money again. It doesn't say there what the monies are for that we're trying to borrow money for, but it doesn't say how many millions we're trying to borrow. Under letter H, it says that they're trying to get some insurance certificates, probably, that's usually trying to borrow money. Once again, we do not know what that money is for. We know that the buses were flooded earlier in the year; actually, that brings back a whole different story. A lot of people out in the community, and sometimes people don't say anything, so maybe this is the right time to say it. The word is, we know that the area where the buses are, we know that it floods out there and there was a lot of times that the warnings were out that there was gonna be a lot of rain. I guess the issue is that the buses should have been moved. The community feels that if the buses were moved we would not be trying to get more money to buy more buses, and that is unfortunate because the only ones that pays at the end are the taxpayers. I feel that it was something that we could have definitely avoided.

In closing, I would like to tell the parents of Weslaco to remember that we need to be out there and pick people out there that are gonna advocate for our kids and more importantly watch the funds, how we're spending them. It is very important that we are spending our funds correctly. A lot of people call me all the time and a lot of times I say, well, it's not my battle to fight, but I do I get a lot of phone calls. A lot of people call and say, hey, this is what is going on. Same thing with the ac units, people were calling and saying, why don't you go up there and say what needs to be said. Nothing hard, the ac units, if we would have planned better for it we wouldn't have the situations that we have in some of the schools."

• Renee Dyer, 1550 S. Milanos Road, Weslaco East High School Principal

Ms. Dyer made the following comments:

"Dr. Canales' emails include a quote from Margaret Mead that says a lot. She stated, "Today, you guys did what Dr. Canales' quote embodies. The quote by Margaret Mead reads: "Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever has."

“Tonight, your decision in selecting the best principal for Weslaco East High School has changed the world for everyone at Weslaco East High School, and we thank you for that and we appreciate the thoughtful consideration you gave to the candidates to lead us through the rest of this century.”

VII. Superintendent’s Report

- Insurance

Mr. Mike De La Rosa, Risk Management/Employee Benefits Director, presented the following report.

WESLACO ISD SELF-FUNDED HEALTH INSURANCE PROGRAM BCBS / American Health Care 2017-2018 Plan Year-Medical Claims			
2017-2018 Estimated Funding	BCBS Projected Cost (RFP)	Actual Through July	
\$ 16,207,284.00			
District Contribution			
\$ 470.00			
Frates Run out	\$ 1,114,063.29	\$ 1,114,063.29	
Medical	\$ 9,371,078.02	\$ 8,102,716.45	\$ 8,902,716.45
Estimated Medical (Aug)		\$ 800,000.00	Estimated BCBS medical
Rx	\$ 3,960,000.00	\$ 3,124,914.10	
Estimated Rx (Aug)		\$ 553,000.00	
Admin Fees	\$ 1,066,338.00	\$ 2,926,746.40	
	\$ 1,745,646.84		
Estimated Admin (May-Aug)		\$ 247,500.00	
Estimated Stop Loss		\$ (85,000.00)	
Total	\$ 17,257,126.15	\$ 16,783,940.24	
minus Frates Runout	\$ 16,143,062.86	\$ 15,669,876.95	
	Estimated Shortage	\$ (576,656.24)	
	Estimated Funding Level	\$ 17,000,000.00	

- The chart above provides information on the estimated funding for this past year and for the coming plan year.
- The middle column indicates what the current TPA (BCBS) had projected. Funding is based on these numbers.
 - ›Frates Run out: \$1.1 million
 - ›BCBS estimated the district would pay \$9.4 million in medical claims, \$3.9 million in prescriptions, and \$1 million in admin fees
 - ›Total estimated from BCBS: \$16.1 million
- The district funded approximately \$16.2 million. This amount comes from the district contribution and from what the employees pay for their dependents.
 - ›Run outs: \$7.2 million in expenditures
 - ›District transferred about \$4 million into the health insurance fund last year. Some of these funds were used to cover the run outs.
- The third column shows actual amounts spent through July.
 - ›Spent \$1.1 million in run outs
 - ›Actual amount spent through July on medical claims: \$8.1 million
 - ›Estimated cost for the month of August: \$800,000 to \$1,000,000
- August is a very heavy month because employees have surgeries/procedures done during the summer.

- ›Prescriptions: Estimated at \$553,000.00 for the month of August
- ›Admin Fees: Spent \$2.9 million (fee to administer the plan, stop loss premium, and run out fees paid to prior TPA are also included)
- ›Actual amount spent with BCBS: \$15.6 million
- Total estimated amount for the plan: \$17.2 million
- Estimated Shortage: (576,656.24) - This amount could be less due to a decrease in the stop loss.
- Estimated Funding Level: \$17,000,000 for the 2018-2019 year
- Amount spent last year through July: \$16,000,000
- To date, actual amount spent this year: \$15.2 million for a decrease of \$830,000 less

**WESLACO ISD
SELF-FUNDED HEALTH INSURANCE PROGRAM
BCBS / American Health Care
2017-2018 50,000 + claimints**

Member Age/Gender Band	Member Relations	Employee Status	Benefit Package	Paid	Primary CCS Dx Level 2
Male 50-59	Subscriber	Active	BASE	64,156.85	
Male 60-64	Subscriber	Cobra	HIGH	92,127.18	
Male 60-64	Spouse	Active	BASE	150,204.79	
Female 60-64	Subscriber	Active	BASE	88,947.09	
Female 50-59	Subscriber	Cobra	BASE	146,342.42	
Male <1-19	Dependent Child	Active	BASE	55,752.22	
Male 50-59	Subscriber	Active	STATE	94,155.48	
Female 60-64	Subscriber	Active	HIGH	86,646.20	
Male <1-19	Dependent Child	Active	BASE	54,113.99	
Female 50-59	Subscriber	Active	BASE	74,916.94	
Female 60-64	Subscriber	Active	STATE	147,670.52	
Female 30-39	Subscriber	Active	BASE	52,476.47	
Male 50-59	Spouse	Active	HIGH	65,383.18	
Female 20-29	Subscriber	Cobra	BASE	98,793.67	
Male 50-59	Subscriber	Active	BASE	110,596.87	
Female 60-64	Subscriber	Active	BASE	52,435.82	
Male 50-59	Subscriber	Cobra	BASE	353,654.80	
				1,788,374.49	
				1,788,374.49	

- The District had 47 individuals who hit over \$50,000 in medical claims.
- In 2016-2017, the district had 37 individuals vs. 17 individuals in 2017-2018.
- The District has to make sure to fund the plan adequately to avoid transferring monies to the plan as was done in the past year.

Dr. Rodriguez requested prior funding amounts for the District’s self-funded employee benefit program. According to Mr. De La Rosa, the amount has ranged from \$13 to \$14 million. He will include information in their weekly update.

WESLACO ISD
SELF-FUNDED HEALTH INSURANCE PROGRAM
BCBS / American Health Care
2016-2017 \$50,000 + claimants

Specific Ded.	Paid YTD*	AMT Over Specific	AMT to Agg Corridor	AMT Ineligible	AMT Pending	AMT Reimbursed	Spec %
\$125,000.00	\$306,165.89	\$181,165.89	\$0.00	\$0.00	\$0.00	\$181,165.89	244.93
\$125,000.00	\$255,254.62	\$130,254.62	\$115,889.64	\$0.00	(\$0.00)	\$14,364.98	204.2
\$125,000.00	\$248,155.65	\$123,155.65	\$0.00	\$0.03	(\$0.00)	\$123,155.62	198.52
\$125,000.00	\$242,636.99	\$117,636.99	\$110,625.13	\$0.00	(\$0.00)	\$7,011.86	194.11
\$125,000.00	\$232,491.03	\$107,491.03	\$0.00	\$0.00	\$0.00	\$107,491.03	185.99
\$125,000.00	\$219,676.60	\$94,676.60	\$46,204.23	\$0.00	\$0.00	\$48,472.37	175.74
\$125,000.00	\$185,418.80	\$60,418.80	\$0.00	\$0.00	(\$0.00)	\$60,418.80	148.34
\$125,000.00	\$184,321.82	\$59,321.82	\$0.00	\$0.00	\$0.00	\$59,321.82	147.46
\$125,000.00	\$175,878.52	\$50,878.52	\$0.00	\$0.00	(\$0.00)	\$50,878.52	140.7
\$125,000.00	\$167,608.63	\$42,608.63	\$0.00	\$0.00	\$0.00	\$42,608.63	134.09
\$125,000.00	\$129,712.70	\$4,712.70	\$0.00	\$0.00	(\$0.00)	\$4,712.70	103.77
\$125,000.00	\$115,290.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	92.23
\$125,000.00	\$104,756.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	83.81
\$125,000.00	\$95,139.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	76.11
\$125,000.00	\$93,373.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	74.7
\$125,000.00	\$91,687.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	73.35
\$125,000.00	\$86,958.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	69.57
\$125,000.00	\$85,658.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	68.53
\$125,000.00	\$74,483.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	59.59
\$125,000.00	\$73,779.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	59.02
\$125,000.00	\$71,687.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	57.35
\$125,000.00	\$70,051.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	56.04
\$125,000.00	\$69,696.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	55.76
\$125,000.00	\$64,270.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	51.49
\$125,000.00	\$62,029.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	49.62
\$125,000.00	\$59,495.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	47.6
\$125,000.00	\$58,215.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	46.57
\$125,000.00	\$58,113.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	46.49
\$125,000.00	\$57,002.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	45.6
\$125,000.00	\$56,377.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	45.1
\$125,000.00	\$54,489.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	43.59
\$125,000.00	\$53,804.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	43.04
\$125,000.00	\$53,134.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	42.51
\$125,000.00	\$53,088.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	42.47
\$125,000.00	\$52,786.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	42.23
\$125,000.00	\$52,703.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	42.16
\$125,000.00	\$51,535.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	41.23
\$4,166,929.34	\$972,321.25		\$272,719.00	\$0.03	\$0.00	\$699,602.22	

- Construction Projects

Mr. Americo Garza, Director of Energy Systems/Maintenance & Operations, presented a progress report on the construction projects district-wide.

Board President Erasmo Lopez wanted to know if there were any issues with any of the on-going projects.

The projects are on schedule according to Mr. Garza. The air conditioning units are being installed. The contractor has made every effort to get the units installed in the cafeterias to have ready for student registration. As part of the installation process, the factory came in and did the start up to ensure that the warranty is in place. The contractor for the field house project has also caught up with the work schedule.

Andrew Gonzalez asked the principals at Silva Elementary and Gonzalez Elementary if they had issues with air conditioning at the libraries and office areas. According to Rosa Garcia, Principal at Gonzalez Elementary, the air conditioning in the office area and cafeteria is working properly; however, the ac units in the counseling department and the library are being replaced at this time. The Energy Management department has been very good in providing portable units and fans as needed. Ms. Garcia confirmed that the ac in the cafeteria was working properly during the registration process.

Ms. Sonia Gonzalez, Silva Elementary Principal, commented that the cafeteria at their campus was very cold during student registration; however, the library does not have air conditioning at this time. The Energy Management Department also provided fans and portable ac units at the library and counseling department at this campus

Mr. Gonzalez thanked the staff at Energy Management for making sure the staff and parents were comfortable during registration.

Mr. Lopez wanted to know if all the construction related projects would be ready by the start of the school year.

Mr. Garza responded that the HVAC project is the most critical at this time since the school year is about to start. He has been working with the HVAC contractors to have the units up and running by Wednesday when the teachers return to work. Principals have addressed the need to have the air conditioning working properly at the libraries due to staff development training scheduled to take place in this area. As mentioned earlier, the ac units at the library at Gonzalez Elementary are also being installed and should be ready by Wednesday. The contractors are also working on ac units in the kitchen that required some modification. The contractors have been working late and on weekends to try to complete this project.

Mr. Lopez asked that staff ensure that this project is ready before school starts and stated, “No room for excuses, it has to be done.” He requested that the architects make a presentation of the on-going projects at the next school board meeting.

6

Weslaco ISD Construction Information

- This information is available to the public on the Weslaco ISD web site.
 - www.wisd.us/departments
 - Weslaco ISD Construction Projects

7

ATHLETIC FACILITIES REMODELING AT Weslaco East High School & Weslaco High School



Architect: PBK Architects
Contractor: Rigney Construction

- **Status:**
 - ✓ EHS - demolition underway; portables in place; portable utilities installation to be followed by ramps and decks; AEP working on power
- **Setbacks:** None
- **Schedule:** On schedule
- **Project Cost:** \$5,276,000
- **Change Orders:** None
- **Total Cost:** \$5,276,000

Substantial Completion:
March 13, 2019

GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

8

NEW WESLACO HIGH SCHOOL FIELDHOUSE



Architect: Gomez Mendez Saenz
Contractor: NM Contracting

- **Status:**
 - ✓ Exterior wall completion this week
 - ✓ Interior walls started
 - ✓ Brick 12 week delivery
 - ✓ Storage building panels to start August 28th
 - ✓ Roof expected to start on August 27th
- **Setbacks:** Irrigation line; weather
- **Schedule:** Back on schedule
- **Project Cost:** \$3,004,000
- **Change Orders:** (1) \$8,500
- **Total Cost:** \$3,004,500

Substantial Completion: December 22, 2019

GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

HVAC Replacements for Silva Elementary, Gonzalez Elementary & Joe Covillo CATE Complex

9



GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

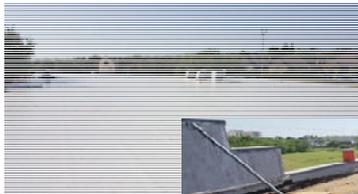
Engineer: Trinity MEP Engineering
Contractor: Aircool Tech

- **Status:**
 - ✓ HVAC units in place
 - ✓ Gonzalez dining & south wing units running
 - ✓ Silva dining unit running
 - ✓ Exceptions - Kitchens & Gonzalez Library scheduled for tomorrow
 - ✓ CATE units running
- **Setbacks:** Weather; 8 days
- **Schedule:** On schedule
- **Project Cost:** \$1,388,874
- **Change Orders:** (2)\$17,600, (1)credit pending
- **Total Cost:** \$1,388,874

Substantial Completion: August 23, 2018

DISTRICT-WIDE ROOFING IMPROVEMENTS at Airport Drive Elementary, Cuellar MS Gym & Band Hall, Beatriz Garza MS Gym & Band Hall, and Weslaco High School former Band Hall

10



GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

Architect: ERO Architects
Contractor: American Contracting; Argio Roofing

- **Status:** Airport installation of new roof continues; B. Garza & WHS sites substantial completion confirmation pending; Cuellar MS roofing continues
- **Setbacks:** Weather; days – 36 Airport & B. Garza, 5 Cuellar, 5 WHS
- **Schedule:** On schedule
- **Project Cost:** \$2,071,600
- **Change Orders:** (1)\$4,415, (1) pending
- **Total Cost:** \$2,071,600

Substantial Completion

- Airport ES – September 28, 2018
- Garza MS – August 29, 2018
- Cuellar MS – August 26, 2018
- WHS Old Band Hall – August 3, 2018

TENNIS COURTS LIGHTING at Weslaco High School & Weslaco East High School

11



GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

Engineer: Trinity Engineering
Contractor: Zitro Electric

- **Status:**
 - ✓ WHS-New lighting system installed; electrical work continues; power expected this week
 - ✓ EHS-New lighting system installed; electrical continues; power expected end of next week
- **Setbacks:** Weather
- **Schedule:** On schedule
- **Project Cost:** \$498,300
- **Change Orders:** None
- **Total Cost:** \$498,300

Substantial Completion: August 31, 2018

CALVILLO CATE COMPLEX
 ADVANCED MANUFACTURING TECHNOLOGY SHOP
 PETE ABRIGO AG FARM
 WELDING & WOODWORKING FACILITY

12



Architect: Rike Ogden Figueroa Architects
 Contractor: NM Contracting

- **Status:** AMT classroom construction continues, HVAC & electrical work underway; welding & woodworking building chain link fence installation underway, classroom near completion, electrical, & HVAC continue
- **Setbacks:** Weather
- **Schedule:** On schedule
- **Project Cost:** \$686,500
- **Change Orders:** None
- **Total Cost:** \$686,500

Substantial Completion:
 October 18, 2018

GOAL 2 – Engaging Learning Environments
 GOAL 3 – Parent-Community-Business-Industry Partnerships
 GOAL 5 – Financial Strength

Cuellar Middle School & Mary Hoge Middle School
 PAVILIONS
 Central MS Science Wing
 CANOPY & RESTROOMS

13



Architect: Alvarado Architects
 Contractor: Rigney Construction

- **Status:**
 - ✓ Pavilions: Foundations in place; electrical & plumbing underway buildings arrive August 15th.
 - ✓ Restrooms: Foundation in place; electrical & plumbing continue; masonry block to start tomorrow
- **Setbacks:** Weather; 6 days
- **Schedule:** On schedule
- **Project Cost:** \$1,130,000
- **Change Orders:** None
- **Total Cost:** \$1,130,000

Substantial Completion:
 November 28, 2018

GOAL 2 – Engaging Learning Environments
 GOAL 5 – Financial Strength

WESLACO EAST HIGH SCHOOL
 BAND HALL

14



Architect: ERO Architects
 Contractor: NM Contracting

- **Status:**
 - ✓ Subgrade preparation underway
 - ✓ Progress meetings taking place
- **Setbacks:** NONE
- **Schedule:** On schedule
- **Project Cost:** \$3,946,000
- **Change Orders:** NONE
- **Total Cost:** \$3,946,000

Substantial Completion:
 March 13, 2019

GOAL 2 – Engaging Learning Environments
 GOAL 5 – Financial Strength

CANOPY INSTALLATIONS

ROOSEVELT ELEMENTARY, YBARRA ELEMENTARY, WESLACO EAST HS
SCHOOL, AND SOUTH PALM GARDENS HIGH SCHOOL

15



Contractor: Mata G Construction

- **Status:** Roosevelt 100%
South Palm 100%
Ybarra 100%
East HS 35%
- **Setbacks:** Change order; Weather; 20 days
- **Schedule:** On schedule
- **Project Cost:** \$77,118
- **Change Order:** \$ 9,200
- **Total Cost:** \$86,318

GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

Substantial Completion: August 16, 2018

PARKING LOT ADDITIONS

GONZALEZ ELEMENTARY
SILVA ELEMENTARY

16



Engineer: MG Engineering
Contractor: NM Contracting

- **Status:** Striping underway; storm drain work continues
- **Setbacks:** Weather; 5 days
- **Schedule:** On schedule
- **Project Cost:** \$281,336
- **Change Orders:** None
- **Total Cost:** \$281,336

GOAL 2 – Engaging Learning Environments
GOAL 5 – Financial Strength

Estimated Substantial Completion:
September 9, 2018

LACKEY STADIUM DIGITAL SCOREBOARD

17



Consultant Engineer: Chanin Engineering
Contractor: Daktronics Inc.

- **Status:**
 - ✓ Pier construction underway
 - ✓ Video production equipment
 - press box work ongoing
- **Setbacks:** None
- **Schedule:** On schedule
- **Project Cost:** \$1,356,568
- **Change Orders:** None
- **Total Cost:** \$1,356,568

GOAL 3 – Parent-Community-Business-Industry Partnerships
GOAL 5 – Financial Strength

Substantial Completion:
Target Date - August 23, 2018
Official Date – September 14, 2018

FENCING PROJECT at North Bridge Elementary, Margo 21
 Elementary, Silva Elementary, Gonzalez Elementary, Calvillo
 CATE Complex, CTE-Early College HS & Aquatic Center



GOAL 2 – Engaging Learning Environments
 GOAL 5 – Financial Strength

- **Status:**
 - ✓ Substantial completion June 5, 2018
 - ✓ Project completed
- **Setbacks:** Title search of property east of Energy Management
- **Project Cost:** \$463,251
- **Change Orders:** (2) \$ 2,100
- **Total Cost:** Pending closeout

FENCING PROJECT at North Bridge Elementary, Margo 21
 Elementary, Silva Elementary, Gonzalez Elementary, Calvillo
 CATE Complex, CTE-Early College HS & Aquatic Center



GOAL 2 – Engaging Learning Environments
 GOAL 5 – Financial Strength

- **Status:**
 - ✓ Substantial completion June 5, 2018
 - ✓ Project completed
- **Setbacks:** Title search of property east of Energy Management
- **Project Cost:** \$463,251
- **Change Orders:** (2) \$ 2,100
- **Total Cost:** Pending closeout

VIII. Consent Agenda

Dr. Canales provided clarification on three agenda items. Clarification is noted on Items A, D, & V-2.

Patrick Kennedy made the motion to approve the consent agenda as clarified by the administration. Andrew Gonzalez seconded the motion and it passed unanimously.

A. Approval of the Minutes of the Regular Board Meeting of July 12, 2018

Clarification: The Transportation Department does not provide transportation to students unless they reside beyond a two-mile radius.

The Board approved the minutes as clarified by the administration.

B. Approval of Out of Valley Trips

The Board approved the following trips as presented.

Weslaco High School

- The WHS Varsity Girls Cross Country team will attend the 2018 Islander Splash Cross Country Invitational in Corpus Christi, Texas on September 22, 2018. The athletes will have the opportunity to represent WISD and compete against other teams in the area.

- Forty migrant students from Weslaco High, Weslaco East, South Palm Gardens, and Early College High School will attend a college trip to Laredo, Austin, San Antonio, and Kingsville, Texas on October 24-26, 2018. The students will visit Texas A&M in Laredo, St. Edwards University in Austin, and the University of Texas in Austin, Texas State University in San Marcos, the University of Texas in San Antonio, Texas A&M in Kingsville, and the Capital.

C. Approval of 2018-2019 Membership Renewal Fee to Participate in the National School Boards Association (NSBA)

The Board approved the annual membership renewal with the National School Boards Association (NSBA) for 2018-2019. The annual membership fee is \$8,620.00.

As an active member of NSBA for many years, the District receives beneficial information such as newsletters, periodic reports, policy briefs and online resources. Districts also receive discounts on annual conferences. Included with this membership is a one-year subscription to the American School Board Journal for each board member and superintendent.

D. Approval of 2018-2019 Membership Renewal Fee to Participate in Region One's Library Services and Media Cooperative

The Board approved the membership renewal fee to participate in the Region One Education Service Center Library Services and Media Cooperative for the 2018-2019 school year.

Dr. Canales clarified that the cost of this service is based on WISD's enrollment of 17,156 for the 2018-2019 school year. The fee rate is \$3.10 per student. Each campus will pay an amount equivalent to its ADA for a district total of \$53,184.60.

The following services will be provided by Region One:

- MackinVia eResource Management System containing shared eBooks and databases
- Virtual Library Databases for elementary, middle school and high school level reference and research use
- Professional Development to include on-site support at Region One and monthly Library Leadership Network meetings for district library contacts
- Library Purchasing Co-op allows members to participate in the Library Purchasing Co-op for school purchases.

E. Approval of TASB Policy Service Membership Renewal for 2018-2019

The Board approved the TASB Policy Service Membership renewal for 2018-2019 at a cost of \$1,300.00. This fee is separate from the District's TASB membership dues.

The association will provide the following services:

TASB Model Student Code of Conduct	Starting Points
TASB Model Student Handbook	Policy Alerts
Updates to TASB Local Policy Manual	Vantage Points
TASB Policy Reference Manual	Policy On Line Internet
TASB Regulations Resource Manual	TASB Policy Service Resource Library
TASB Legal Service – Legal Tips	Telephone Assistance – Policy Consultant

- F. Approval of Memorandum of Understanding Between Region One Education Service Center’s Adult Education Program and Weslaco Independent School District for the Purpose of Establishing an Adult Education and Literacy Program for Eligible Participants from September 2018 through June 2019

The Board approved the Memorandum of Understanding with Region One for the purpose of establishing English as a Second Language (ESL) classes for eligible participants during the 2018-2019 school year.

The classes will be held at Weslaco High School, which is an environment appropriate, safe and secure for the implementation of instruction services to adult learners. The classes will be held Monday through Thursday from 5:00 p.m. to 8:30 p.m. This initiative is at no cost to the district with the exception of the use of the facility.

- G. Approval of Independent Contract Agreement with Hill Living Well, Inc. to Provide Mental Health Counseling Services to Weslaco ISD Students

The Board approved the Independent Contract Agreement with Hill Living Well, Inc., for the purpose of providing mental health counseling services to WISD students. Family and individual counseling as well as prevention and education will be provided at no cost to the District. The term of contract is from August 13, 2018 through August 13, 2020.

- H. Approval of Independent Contract Agreement with Mesquite Treatment Center to Provide Mental Health Counseling Services to Weslaco ISD Students

The Board approved the Independent Contract Agreement with Mesquite Treatment Center for the purpose of providing mental health counseling services to WISD students. Family and individual counseling as well as prevention and education will be provided at no cost to the District. The term of contract is from August 13, 2018 through August 13, 2020.

- I. Approval of Independent Contract Agreement with Mind Matters to Provide Mental Health Counseling Services to Weslaco ISD Students

The Board approved the Independent Contract Agreement with Mind Matters for the purpose of providing mental health counseling services to WISD students. Family and individual counseling as well as prevention and education will be provided at no cost to the District. The term of contract is from August 13, 2018 through August 13, 2020.

- J. Approval of Independent Contract Agreement with New Beginnings Behavioral Health Services, Inc. to Provide Mental Health Counseling Services to Weslaco ISD Students

The Board approved the Independent Contract Agreement with New Beginnings Behavioral Health Services, Inc. for the purpose of providing mental health counseling services to WISD students. Family and individual counseling as well as prevention and education will be provided at no cost to the District. The term of contract is from August 13, 2018 through August 13, 2020.

- K. Approval of Independent Contract Agreement with Positive Awakenings Counseling Center to Provide Mental Health Counseling Services to Weslaco ISD Students

The Board approved the Independent Contract Agreement with Positive Awakenings Counseling Center for the purpose of providing mental health counseling services to WISD students. Family and individual counseling as well as prevention and education will be provided at no cost to the District. The term of contract is from August 13, 2018 through August 13, 2020.

- L. Approval of Purchase of Continued Waterford “Smart Start” Online Interactive Program Licenses for the Third Year to Supplement Literacy, Numeracy, Social Studies, and Science Lessons for Students in All Pre-Kindergarten Classes to Include Head Start and Daycares

The Board approved the sole source purchase of the Waterford online program licenses to supplement blended learning in the four content areas for Prekindergarten students.

This program will provide a web-based interactive personalized learning online platform based program that adapts automatically to give each student a unique learning experience tailored to his or her own skill level and pace which makes it ideal for early learners. The online program offers phonics, phonological awareness, writing fluency, geometry, operations and algebraic thinking, measurement and data analysis, earth, life and physical science all in story format or game-like format in order to increase active engagement by the early learner.

The cost of this purchase is \$60,030.00 and will be paid with State Instructional Materials Allotment (IMA) funds.

- M. Approval of Purchase of Reasoning Mind Blueprint, Foundations, and STAAR Readiness Online Programs to Set Students in Kindergarten through Fifth Grade on the Path to Algebra Success

The Board approved the sole source purchase of the Reasoning Mind Blueprint, Foundations, and STAAR Readiness online programs at a cost of \$95,325.00, which will be paid with State’s Instructional Materials Allotment (IMA) Funds.

This program will focus on foundational topics, develop conceptual understanding, foster logical thinking abilities, inspire interest in learning, and connect math to the surrounding world for Kindergartners and first graders. The program prepares students in grades second through fifth grade for the STAAR exam by providing online tutorials and exposure to STAAR-like problems, simulated STAAR exams, at-a-glance performance report, and detailed performance history. The first cohort of second graders that used Reasoning Mind for the entire 2014-2015 academic year had great success on the Spring STAAR Grade 5 test with a record high passing rate at the Approaches Level and considerable increases at the Meets and Masters Level.

- N. Approval of Purchase of Imagine Math Web-Based Interactive Learning System to Enhance the Math Abilities of Third Grade through Algebra I in English and Spanish, Including Live Support for At-Home Math Practice

The Board approved the sole source purchase of the Imagine Math web-based learning system to enhance the math skills and knowledge necessary for the success in algebra and beyond of all third grade through Algebra I students in English and Spanish, including live support for at-home math practice.

This program has been used by the district for the past four years and it has supported the students' daily instruction by providing engaging, customizable instruction that builds students' math conceptual understanding, strategic thinking, and problem solving abilities. This web-based program provides teachers the opportunity to work with individual students. In addition, Imagine Math reports provide teachers with Quantile levels, mastery levels of math objectives, outlines student ability on specific problems, and provides booster packs to support students in the areas of need. Ultimately, every student will have the opportunity to become Algebra ready. The cost of this program is \$85,000 and will be funded with State's Instructional Materials Allotment (IMA) Funds.

- O. Approval of Purchase of Reflex Math Online Interactive Program to Build and Strengthen Math Fact Fluency of Second Grade Through Fifth Grade Students in English and Spanish

The Board approved the sole source purchase of the Reflex Math online program to build and strengthen math fact fluency of second grade through fifth grade students in English and Spanish, subject to legal counsel review of related terms and conditions.

This program has been used by the district since the spring of 2017 through a pilot program, and it was purchased last school year. Data reports indicate an increase of fact fluency from 22% to 67% during the first year of implementation. Students have enjoyed the interactive math content, which is in a game-based format and places them on individual paths of learning after completing a pre-assessment of their math facts. The highly adaptive games provide automaticity of math facts and access of this program at home and at school contributes to the increase in math fact fluency. Classroom observations, progress monitoring, and data reports indicate that this powerful mathematics program will yield long-range beyond foundational mathematics and into conceptual understanding of complex mathematics applications.

The cost of this program is \$30,808.25 and will be funded with State's Instructional Materials Allotment (IMA) Funds.

- P. Approval of Purchase of Microsoft Windows Server 2016 Standard Software Licenses to Upgrade the Active Directory Domain Controllers

The Board approved the purchase of Windows Server 2016 standard software licenses from SHI Government Solutions from Austin, Texas at a cost of \$30,919.70.

This software will upgrade the district's domain controllers. The domain controllers are servers that respond to security authentication requests within a Windows Server domain. It authenticates and authorizes all users and computers in a windows domain type network – assigning and enforcing security policies for all computers and other devices. Twenty-one servers that are located at the campuses and Network Operational Center in the district's single domain will be used.

Funds for these proposed expenditures are available in the 2017-2018 budget in the local maintenance fund.

- Q. Approval of Purchase of VMware VSphere Enterprise Software and Support to Upgrade the Virtual District Server Environment

The Board approved the purchase of VMware VSphere Enterprise Software and Support from MNJ Technologies from Buffalo Grove, Illinois at a cost of \$48,977.17. This software will be used to upgrade the district's virtual server environment. A virtual server shares

hardware and software resources with other operating systems. It is more cost effective and provides faster resource control. WISD currently has 61 servers that are on the virtual environment located at the Network Operational Center.

This vendor belongs to valid purchasing cooperative Buyboard contract #498-15, which expires December 31, 2018.

- R. Approval of Purchase of Time Clock Plus Renewal Software/Hardware Maintenance and Support for the 2018-2019 School Year

The Board approved the purchase renewal of software/hardware maintenance and support for the Time Clock Plus system from Data Management Inc. at a cost of \$60,474.34. All school districts are required to report all hours worked by employee to the state. The Time Clock Plus system also integrates with the district's Alio Payroll system. The district currently uses this system to manage the employees time worked. There are 81 biometric devices in the district that are used by the employees to clock in and out. There are one to six devices at each campus or department depending on their size.

- S. Approval of the WISD Employee Handbook for the 2018-2019 School Year

The Board approved the Weslaco ISD Employee Handbook for the 2018-2019 school year as presented.

The model handbook is produced by TASB HR Services for its members and is updated annually. The handbook has been revised to reflect the changes by TASB and is ready for distribution to employees.

- T. Approval to Increase the Price of Adult Meals for Breakfast and Lunch for School Year 2018-2019

The Board approved the price increase of an adult meal for lunch from \$3.70 to \$3.75 and for an adult meal for breakfast from \$2.10 to \$2.15, in order to comply with the guidelines of Texas Department of Agriculture (TDA).

TDA guidelines require school districts to ensure that the federal reimbursements and other non-designated child nutrition revenues do not subsidize program meals served to adults. Therefore, the cost of an adult meal must be greater than the total calculated cost amount as set by the Texas Department of Agriculture.

- U. Approval of Extension of Proposal Awards for Groceries, Small Appliances & General Merchandise (RFP #16-08-47)

The Board approved the one-year extension option for groceries, small appliances and general merchandise to the following vendors:

Vendor Name	Location	Status
HEB Stores	Weslaco, Texas	Primary Vendor
Wal-Mart	Weslaco, Texas	Primary Vendor
Sam's Wholesale	McAllen, Texas	Primary Vendor

Groceries, small appliances, and general merchandise are purchased for instructional purposes, cooking lessons, incentives for students, staff development functions, meetings,

in addition, other departmental needs. Schools also have student celebrations and fundraisers that require the purchase of items in bulk and therefore purchase these items from Sam’s Wholesale. The estimate purchases for this proposal range between \$250,000 and \$350,000.

V. Approval of Proposal Awards:

1. Embroidery Items (Proposal #18-08-38)

The Board awarded the proposal for embroidered items to the following vendors:

Vendor/Location	Total Awarded Points	Ranking	Award Status
Embroidery Express Weslaco, Tx.	1,222	1 st	Primary Vendor
HDL Enterprises Weslaco, Tx.	1,057	2 nd	Primary Vendor
Good Times Screen Printing, LLC., Alamo, Tx.	955	3 rd	Primary Vendor
High End Advertising Mission, Tx.	937	4 th	Primary Vendor

At the time embroidered items (shirts or other) are needed, staff will send specifications and obtain a quote from each of the four primary vendors if the total purchase amount is estimated to be greater than \$3,000. All purchases less than \$3,000 can be made from any of the four Primary Vendors. Purchases will be made from the vendor that can provide the required item and can deliver in the time required. No dollar amount is estimated because the quantity of items to be ordered is not known at this time.

2. Serving Counter Replacement for Cuellar Middle School (Proposal # 18-08-44)

The Superintendent clarified that the amount of points listed for the second vendor was incorrect; the ranking is supposed to be 297, not 564 as noted. Nonetheless, the recommendation made by administration to approve the first ranked vendor remained the same.

Therefore, the Board approved the first ranked proposal from Mission Restaurant Supply of McAllen, Texas for serving counter replacements at Armando Cuellar Middle School.

In an effort to modernize and improve the serving operation at the cafeteria, three (3) serving counters, two (2) cashier stands, and two (2) pass-thru units (one refrigerated and one heated) will be installed. The new equipment will be the same brand and constructed of stainless steel to improve the overall look.

This purchase will cost \$265,755.00. \$135,000.00 will be funded through the National School Lunch Program Equipment Assistance Grant awarded to Weslaco ISD School Nutrition Program by the Texas Department of Agriculture and the remaining \$130,755.00 will be paid through funds from the WISD Food Service Fund (Federal) budget.

W. Approval of Monthly Tax Adjustments for July 2018

The Board approved the monthly tax adjustments for July 2018 as recommended by the Hidalgo County Tax Office.

The total tax adjustments for July 2018 are as follows:

Type of Tax	Current Levy	Prior Year Levies	Roll Back Taxes	Total
M&O Taxes	(\$)	(\$18,466.73)	\$ 0.00	(\$18,466.73)
I&S Taxes	(\$)	(\$ 837.58)	\$ 0.00	(\$ 837.58)
Total Adjustments	(\$ 0)	(\$19,304.31)	\$ 0	(\$ 19,304.31)

These negative tax adjustments represent a decrease in the tax collections for the year.

IX. Discussion Items:

A. First Reading of Policy Update 111 from the Texas Association of School Boards (TASB)

No action was required for the first reading of Policy Update 111. This update focuses primarily on amendments to the Administrative Code resulting from legislation from the 85th Legislative session. Recommended changes to local policies address the following topics:

- BBD (Board Member – Training and Orientation): Revised Administrative Code rules incorporate board member continuing education requirements from SB 1566. The law requires the board president to announce board member continuing education status at the last regular board meeting before trustee elections, even if an election is not scheduled or held, such as when a district does not conduct annual elections or when an election is cancelled.

- CAA (Fiscal Management Goals and Objectives – Financial Ethics): A revision to this policy on fraud and financial impropriety is recommended to clarify that reports of suspected impropriety may be made to a person who has authority to investigate the alleged activity, including the other individuals listed in the policy.

- CJA (Contracted Services – Criminal History) Emergency access to district facilities of contractors and subcontractors subject to criminal history

- DH (Employee Standards of Conduct): Most districts’ policies at DH(Local) provide that the district’s prohibition against firearms on district property is not violated when a district employee who holds a Texas handgun or other firearm in a locked vehicle in a district area, provided the handgun or other firearm is not loaded and is not in plain view. However, the interplay of state and federal law would permit a district to revise this policy to allow such an employee to have a loaded handgun or firearm under these circumstances.

- DHE (Employee Standards of Conduct – Searches and Alcohol/Drug Testing): Recommended text clarifies that the district may remove from duty and require testing of an employee if there is reasonable suspicion that employee is under the influence of alcohol or drugs in violation of district policy.

- DI (Employee Welfare): This local policy addressing drug-free awareness programs are recommended for deletion, as the content is adequately covered through the district’s DH(LEGAL) and (LOCAL) policies.

- FEA (Attendance – Compulsory Attendance): A revision is recommended at Armed Services Enlistment to more accurately track the relevant statute, which requires a district to excuse a student 17 years of age or older for up to four days during the student’s enrollment in high school to pursue military enlistment.

- GKA (Community Relations – Conduct on School Premises): Most districts’ policies at GKA (Local) provide that the district’s prohibition against firearms on district property is not violated when a Texas handgun license holder stores a handgun or other firearm in a locked vehicle in a district parking area, provided the handgun or other firearm is not loaded and is not in plain view. However, the interplay of state and federal law would permit a district to revise this policy to allow such an employee to have a loaded handgun or firearm under these circumstances.

B. Interim Financial Report for the Eleven Months Ended July 31, 2018

The Board acknowledged the Interim Financial Reports for the nine months ended July 31, 2018 as prepared by the Business Office.

Mr. Andres Sanchez, Assistant Superintendent of Business and Finance, presented the following report.

Source	Budget	Received & Receivable	Variance	Percentage
5700 Local Source	27,920,077	28,169,007	249,920	100.90%
5800 State Source	130,985,911	128,437,075	(2,548,836)	98.05%
5900 Federal Sources	15,983,629	12,974,693	(3,008,936)	81.17%
Totals	174,889,617	169,581,765	(5,307,852)	96.97%

- Of \$182,811,073 in expenditures, the district has expended \$150,793,373 which represents 82.49%.

- › Dr. Rivera wanted to know the estimated percentage of funds remaining as of August 31, 2018.

- As per Mr. Sanchez, the estimated percentage of expenditures will be around 93 or 94%; payroll is still pending. As of this date, he anticipates having about \$1.7 or even more, but he should have a better idea at the end of the month once all the invoices for purchases have been paid and closed out.

C. Presentation of 2018 Anticipated Collection Rate of Property Taxes for Fiscal Year 2018-2019

Section 26.04 Property Tax Code, requires the Hidalgo County Tax Assessor/Collector to certify to the governing body of the taxing unit the anticipated collections in calculating the debt component of its Rollback Tax Rate for the current year by August 1, or as soon thereafter as practicable.

The Hidalgo County Tax Assessor-Collector certifies that the 2018 anticipated collection rate for Weslaco ISD for the fiscal year 2018-2019 has been projected at a 100% rate. The 2017-2018 Estimated Tax Collection Rate was also projected at 100% and consequently no excess Debt Tax collections are to be reported in Schedule B of the 2017 Debt Service Report.

Non-action item.

D. Acknowledgement of Hidalgo County Tax Office Report for July 2018: Current and Delinquent Taxes

The Board acknowledged the Collection Report for July 2018 as presented. Section 31.10 Property Tax Code requires the Tax Assessor/Collector to submit to the governing body of the taxing unit a written report made under oath accounting for all taxes collected for the unit during the preceding month.

Listed below is the July 2018 report from the Hidalgo County Tax Office:

	Original Tax Levy	Taxes Collected to Date	Tax Modifications (Adjustments) to Date	Taxes Outstanding To-Date	% Tax Collections 2017-2018	% Tax Collections 2016-2017	2017-2018 vs. 2016-2017
Current Taxes	\$ 26,145,817	\$ 24,866,802	\$ 54,309	\$ 1,222,324	94.91%	94.26%	0.65% Higher
Delinquent Taxes- Prior Years Levy	\$ 4,297,950	\$ 1,131,329	(252,217)	\$ 2,914,404	27.96%	25.44%	2.52% Higher
Rollback Taxes	336	50,046	62,133	12,423	80.11%	98.53%	18.42% Lower
Totals	\$30,444,103	\$26,048,177	\$ (135,775)	\$ 4,260,150			

- The collection of **current taxes** for fiscal year 2017-2018 through July 31 is 0.65% higher than the current taxes for fiscal year 2016-2017.
- The collection of **delinquent taxes** for fiscal year 2017-2018 through July 31 is 2.52% higher than the delinquent taxes for fiscal year 2016-2017.
- The column for tax modifications represents the cumulative tax adjustments (September through July 2018) reported by the Hidalgo County Tax Office for the 2017-2018 fiscal year in their July 2018 report.

The collection goal for delinquent taxes this year was 27%; the district budgeted 20% and therefore has collected 8% more on revenues.

X. Discussion and Possible Action Items:

A. Discussion and Possible Action to Approve an Order Calling for the November 6, 2018 WISD School Board Election

The Order calling a School Board Election to be held on Tuesday, November 6, 2018, is for the purpose of electing four (4) members of the Board of Trustees.

The places up for election are as follows:

- Place 4: Office held by Dr. Jaime Rodriguez
- Place 5: Office held by Andrew Gonzalez
- Place 6: Office held by Oscar Caballero
- Place 7: Office held by Isidoro Nieto

The Order was reviewed and approved by the school attorney. Any changes on polling locations, etc. will be made by Ms. Yvonne Ramon, Hidalgo County Elections Administrator.

WISD and the City of Weslaco have contracted election services with the Hidalgo County Elections Administrator for the last five elections, pursuant to Texas Election Code Section 31.0092. The District will also contract with the Hidalgo County Elections Department for the upcoming election. An agreement to approve election services with Hidalgo County to conduct our election will be presented for board approval at a future board meeting as well as the Interlocal Agreement to share joint election expenses between the City of Weslaco and Weslaco ISD.

Dr. Richard Rivera made the motion to approve the Order calling the November 6, 2018 WISD School Board Election as presented. Dr. Jaime Rodriguez seconded the motion and it passed unanimously.

B. Discussion and Possible Action to Endorse a Nominated Individual from Another School Board Within our TASB District to Fill a Position on the TASB Board of Director

The term of Patricia O’Cana-Olivares will expire at the close of the 2018 TASA/TASB Convention.

As a result of the nomination process, the following individuals complied with the requirements of July 2, 2018, and were nominated by their local board.

1. Patricia O’Cana Olivares – Mission ISD
2. Oscar Riojas – Mercedes ISD

If at least 25 percent and less than a majority of the Active members from the nominated individual’s TASB region endorse the same individual, that individual will be included on the official ballot. If a majority of the Active members in a TASB region endorses the same nominated individual, that individual will be elected to the TASB Board and will take office after the final session of the convention in the year elected. The election ballot will be presented to the Delegate Assembly during the 2018 TASA/TASB Convention. The term of office of each Director shall be three years.

Andrew Gonzalez made the motion to endorse Oscar Riojas from Mercedes ISD. Oscar Caballero seconded the motion and it passed unanimously.

C. Discussion and Possible Action to Designate a Delegate and Alternate Representative to Serve on the 2018 TASB Delegate Assembly

Delegates and Alternates will meet with TASB Directors to discuss issues coming before the Assembly and to clarify Delegate Assembly processes. The decisions made by the Assembly will set the course for the TASB organization for the coming year.

The Delegate Assembly charts TASB’s future in three significant ways:

- Elects TASB’s leadership – officers and members of the TASB Board of Directors
- Amends TASB Bylaws to ensure a responsive and effective Association
- Formally adopts TASB’s Advocacy Agenda, the legislative “roadman” for issues critical to public education for the foreseeable future

Andrew Gonzalez made the motion to appoint Dr. Richard Rivera as the Delegate and Isidoro Nieto as the Alternate to serve on the 2018 TASB Delegate Assembly. Patrick Kennedy seconded the motion and it passed unanimously.

D. Discussion and Possible Action for the Board to Approve the Memorandum of Understanding Between Weslaco Independent School District and South Texas College (STC) to Offer Certification Through a Phlebotomy Program

Through a partnership with South Texas College, Weslaco East High School and Weslaco High School students will have the opportunity to enroll in Practicum courses of Health Science. Students will receive knowledge (curriculum) skills and “continuing education” units necessary to become certified in the practice of Phlebotomy. Upon acquisition of this “certification of completion” and endorsed by the National Health Association (NHA), students will be qualified and eligible to be gainfully employed upon in any health care industry upon also completing and receiving their high school diploma.

According to Mrs. Sandra Avila, this course is for seniors who are 18 years of age. Staff is trying to get the students certified for state accountability. A fee of \$322.50 per participant will be allocated through CTE funds.

Andrew Gonzalez made the motion to approve the Memorandum of Understanding between Weslaco Independent School District and South Texas College (STC) to offer certification through a Phlebotomy Program. Dr. Jaime Rodriguez seconded the motion and it passed unanimously.

E. Discussion and Possible Action to Approve the Optional Flexible School Day Program for the 2018-2019 School Year

A Public Hearing was held prior to this meeting to provide information to the public and allow those in attendance the opportunity to address any questions or concerns.

Weslaco ISD has consecutively participated in the OFSDP since the 2010-2011 school year and is implemented at Weslaco High School, Weslaco East High School, and South Palm Gardens High School. It provides students an opportunity to attend school at a flexible time to meet individual needs. The flexible schedule will allow students to attend school at a time that is more convenient for them and will help WISD increase graduation rates and decrease dropout rates.

The district will receive funding for students as students accumulate instruction time. They must attend class for a minimum of 45 minutes a day to accumulate time any given day. For each 4 hours or 240 minutes of eligible instruction, a student earns one eligible day present. Eligible days present are then converted to ADA for funding purposes. Students enrolled in this program will still be required to take STAAR and will be eligible to participate in UIL activities.

Mr. Lopez commented that this is a good program because the district is able to recover students and provide them with an opportunity to graduate from high school.

Andrew Gonzalez made the motion to approve the Optional Flexible School Day Program for the 2018-2019 school year. Patrick Kennedy seconded the motion and it passed unanimously.

F. Discussion and Possible Action to Amend the District’s Health Benefit Program’s Employee Contribution

Due to the rising cost of healthcare over the past several years, the District needs to adjust its contribution levels to account for trend increase of 10% to 12% each year. Therefore, in order to sustain the current benefit levels and be commensurate with other Districts in the area, the administration recommended adjusting employee contributions to fund approximately \$17 million for the 2018-2019 plan year.

The chart below reflects the current and proposed rates.

Current	Base (70/30)			High (80/20)			State (90/10)		
	Employee Deduction	Employer Deduction	Total on Billing	Employee Deduction	Employer Deduction	Total on Billing	Employee Deduction	Employer Deduction	Total on Billing
Employee Only	\$ 9.00	\$470.00	\$ 479.00	\$ 92.00	\$470.00	\$ 562.00	\$ 148.00	\$470.00	\$ 618.00
Employee & Child	\$177.00	\$470.00	\$ 647.00	\$266.00	\$470.00	\$ 736.00	\$ 368.00	\$470.00	\$ 838.00
Employee & Children	\$346.00	\$470.00	\$ 816.00	\$528.00	\$470.00	\$ 998.00	\$ 738.00	\$470.00	\$ 1,208.00
Employee & Spouse	\$422.00	\$470.00	\$ 892.00	\$632.00	\$470.00	\$1,102.00	\$ 852.00	\$470.00	\$ 1,322.00
Employee & Family	\$730.00	\$470.00	\$1,200.00	\$946.00	\$470.00	\$1,416.00	\$ 1,384.00	\$470.00	\$ 1,854.00

Proposed	Base (70/30)			High (80/20)			State (90/10)		
	Employee Deduction	Employer Deduction	Total on Billing	Employee Deduction	Employer Deduction	Total on Billing	Employee Deduction	Employer Deduction	Total on Billing
Employee Only	\$ 25.00	\$485.00	\$ 510.00	\$117.00	\$485.00	\$ 602.00	\$ 173.00	\$485.00	\$ 658.00
Employee & Child	\$202.00	\$485.00	\$ 687.00	\$293.00	\$485.00	\$ 778.00	\$ 403.00	\$485.00	\$ 888.00
Employee & Children	\$371.00	\$485.00	\$ 856.00	\$553.00	\$485.00	\$1,038.00	\$ 763.00	\$485.00	\$ 1,248.00
Employee & Spouse	\$447.00	\$485.00	\$ 932.00	\$657.00	\$485.00	\$1,142.00	\$ 877.00	\$485.00	\$ 1,362.00
Employee & Family	\$755.00	\$485.00	\$1,240.00	\$971.00	\$485.00	\$1,456.00	\$ 1,409.00	\$485.00	\$ 1,894.00

Mr. De La Rosa provided the following information:

- Employer Contribution: \$400,000
- District Contribution: \$13.6 million
- Employee Contribution (through dependents and electing higher plans): \$3.5 million

Last year, the district increased the district's contribution but not the employees' contribution.

Cost Comparison to other Districts:

- San Benito ISD: \$56.73
- Harlingen: No charge at this time - subject to change this year
- Donna ISD: \$15.00 - subject to change this year
- PSJA: No charge at this time

The board members pointed out that the employees will have to contribute an additional cost; nonetheless, Weslaco ISD still offers a very good plan because the employees have a lower copay.

Andrew Gonzalez made the motion to amend the District's Health Benefit Program's Employee Contribution as presented. Oscar Caballero seconded the motion and it passed unanimously.

G. Discussion and Possible Action for the Board to Consider Renewal of the District’s Voluntary Insurance Products; OR Authorize Administration to Solicit Proposals for Same

Last year, the District solicited proposals through the RFP process for seven voluntary insurance products. The District requested proposals for one (1) year with the option to renew for two (2) additional one (1) year terms and a minimum of a two-year rate guarantee where applicable. This would be the second year of a three-year renewal option. The renewal rates for these products are flat. All voluntary insurance products are administered on a calendar year basis.

Listed below are the voluntary insurance products, the underwriting insurance company, and the servicing agents:

Voluntary Product	Insurance Company	Servicing Agents
Accident	Allstate	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Cancer	Allstate	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Critical Illness	Allstate	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Disability	Cigna	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Hospital Indemnity	Allstate	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Term Life & AD&D	Cigna	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance
Vision	Superior Vision	Jeff Everett, Tamez Financial Group, Yvonne Ortegon Insurance

Patrick Kennedy made the motion to renew all seven (7) voluntary insurance products for the second year of a three-year renewal option as recommended by the Superintendent.

H. Discussion and Possible Action for the Board to Consider and Approve a Plan of Finance and a Method of Sale for the Possible Issuance and Sale of Limited Maintenance Tax Notes, Series 2018

As a result of the flood that occurred in June 2018, the district will need to incur expenditures for the replacement and acquisition of vehicles, including, but not limited to, school buses, delivery trucks, maintenance vehicles, as well as furniture and equipment among other expenditures.

Therefore, the Superintendent recommended that the Board approve to proceed with the final plan of finance as presented, and select a method of sale for the issuance and sale of approximately \$5,000,000 Maintenance Tax Notes for the purchase of school buses, other vehicles, and equipment.

The table below shows a breakdown for the use of the funds to be borrowed:

Description	Department	Cost
63 Buses (50 Conventional & 13 Special Ed)	Transportation Department	\$6,021,429
15 Suburban SUV’s	Transportation Department	\$ 675,000
17 Pick Up Trucks	Maintenance Department	\$ 500,000
1 Pick Up Truck	Technology Department	\$ 30,000

5 Tractor Mowers & 1 Boom Lift	Maintenance Department	\$ 160,000
1 Delivery Truck	Warehouse Department	\$ 95,000
Custodial Equipment – Large	Custodial Equipment	\$ 140,000
Fuel Dispensing Equipment – Cost & Installation plus Clean Up Efforts	Transportation Department	\$ 450,000
Total		\$8,071,429
Estimated Insurance Settlement		(3,200,000)
Approximate Amount Needed		\$ 4,871,429

Mr. Cris Vela, First Southwest Company, WISD Financial Advisors, presented the following information on the plan of finance.



Contacts:

Cris S. Vela
Director
100 East Nolana Loop
Pharr, Texas 78577
Direct 956.686.0551
Fax 956.618.4791
cris.vela@hilltopsecurities.com

Andra Ayala
Director
1201 Elm Street, Suite 3500
Dallas, Texas 75201
Direct 214.953.4184
Fax 214.953.4050
andra.ayala@hilltopsecurities.com

Jorge Delgado
Assistant Vice President
1201 Elm Street, Suite 3500
Dallas, Texas 75274
Direct 214.858.1714
Fax 214.953.4050
jorge.delgado@hilltopsecurities.com



Limited Maintenance Tax Notes, Series 2018 – Plan of Finance
Weslaco Independent School District

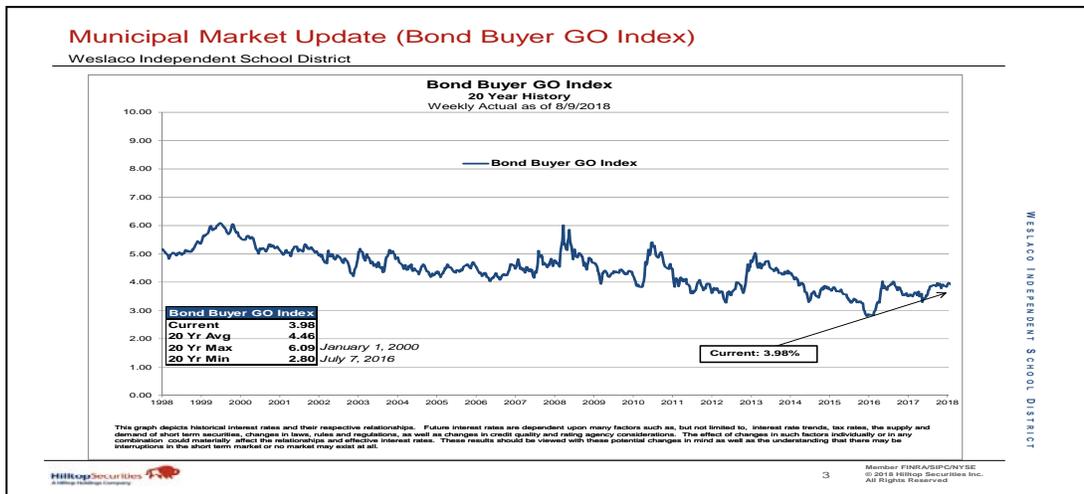
August 13, 2018

Table of Contents

1. Municipal Market Update
2. Limited Maintenance Tax Notes, Series 2018 – Plan of Finance
3. Debt Service Schedule and Sources & Uses
4. Financing Team
5. Method of Sale Considerations
6. Schedule of Events

WESLACO, INC.

MUNICIPAL MARKET UPDATE



LIMITED MAINTENANCE TAX NOTES, SERIES 2018 – PLAN OF FINANCE

Limited Maintenance Tax Notes, Series 2018 – Plan of Finance	
Weslaco Independent School District	
<ul style="list-style-type: none"> ▪ The Weslaco Independent School District (the "District") intends to issue Limited Maintenance Tax Notes, Series 2018 (the "Notes") for: <ul style="list-style-type: none"> – Purchase of School Buses, District Vehicles and Equipment and; – Pay the costs of issuing the Notes ▪ The District will request a <u>limited</u> tax rating from Standard and Poor's ("S&P") for the Notes. Currently, the District's <u>unlimited</u> tax debt is rated, "AA-" by Fitch and "A+" by S&P. ▪ Insurance on the Notes will be considered. HilltopSecurities Inc. (the "Financial Advisor") will determine if insurance benefits the transaction. A decision will be made once bids are received and analyzed. 	WESLACO INDEPENDENT SCHOOL DISTRICT
Structure and Assumptions	
<ul style="list-style-type: none"> ▪ Tax-exempt Bank Qualified <u>fixed</u> interest rates through maturity ▪ Total project fund of \$5,000,000 ▪ 15 Year Amortization <ul style="list-style-type: none"> – Interest will be payable semiannually on February 15 and August 15 (beginning on February 15, 2019) – Principal will be payable annually on February 15 (beginning February 15, 2019) – 10 Year Call Option (February 15, 2028) ▪ <i>The analysis shown in the subsequent pages was derived based on pricing views as of August 10, 2018 + 0.30% for purposes of illustration only. The results are estimates only and are subject to change at anytime.</i> 	
	Member FINRA/SIPC/NYSE © 2018 Hilltop Securities Inc. All Rights Reserved

DEBT SERVICE SCHEDULE AND SOURCES & USES – PLAN OF FINANCE

- The chart below list the summary of the district’s outstanding limited tax debt.

Preliminary Debt Service Schedule and Sources & Uses									
Weslaco Independent School District									
Fiscal Year Ending 31-Aug	Outstanding Limited Tax Debt Service			Proposed Limited Maintenance Tax Notes Series 2018			TOTAL NEW Limited Tax Debt Service	SOURCES OF FUNDS	
	Principal	Interest	Total D/S	Principal	Interest	Total D/S			Amount
2018	\$ 1,681,000	\$ 923,112	\$ 2,604,112	-	-	-	\$ 2,604,112	Par Amount of Notes	\$ 4,855,000
2019	1,307,000	752,534	2,059,534	130,000	155,123	285,123	2,344,657	Notes' Premium	286,748
2020	1,329,000	731,684	2,060,684	80,000	198,905	278,905	2,339,589	Total Sources of Funds	\$ 5,141,748
2021	1,351,000	710,196	2,061,196	85,000	196,583	281,583	2,342,779		
2022	1,372,000	687,904	2,059,904	90,000	193,695	283,695	2,343,599		
2023	1,399,000	661,960	2,060,960	95,000	190,168	285,168	2,346,128	USES OF FUNDS	
2024	1,426,000	632,137	2,058,137	100,000	185,975	285,975	2,344,112	Project Fund	\$ 5,000,000
2025	1,458,000	600,935	2,058,935	105,000	181,568	286,568	2,345,503	Cost of Issuance	78,869
2026	1,494,000	568,104	2,062,104	105,000	177,053	282,053	2,344,157	Underwriter's Discount	48,550
2027	1,526,000	533,646	2,059,646	115,000	172,323	287,323	2,346,969	Notes' Insurance	14,329
2028	1,563,000	497,559	2,060,559	115,000	167,378	282,378	2,342,937	Total Uses of Funds	\$ 5,141,748
2029	1,604,000	459,593	2,063,593	120,000	162,325	282,325	2,345,918		
2030	915,000	416,375	1,331,375	870,000	141,040	1,011,040	2,342,415	Average Life	11.098 Yrs
2031	965,000	369,375	1,334,375	905,000	102,878	1,007,878	2,342,253	Assumed All-in Interest Cos	3.940%
2032	1,010,000	320,000	1,330,000	950,000	62,995	1,012,995	2,342,995		
2033	1,065,000	268,125	1,333,125	990,000	21,285	1,011,285	2,344,410	Pricing Views as of 8/10/2018 + 0.30%	
2034	1,120,000	213,500	1,333,500	-	-	-	1,333,500	Assumes Insured "A+/AA-" Bank Qualified	
2035	1,175,000	156,125	1,331,125	-	-	-	1,331,125	Interest Rates, <u>Subject to Change at Anytime.</u>	
2036	1,235,000	95,875	1,330,875	-	-	-	1,330,875		
2037	1,300,000	32,500	1,332,500	-	-	-	1,332,500		
	\$ 26,295,000	\$ 9,631,239	\$ 35,926,239	\$ 4,855,000	\$ 2,309,291	\$ 7,164,291	\$ 43,090,530	Assumed Closing date	11/7/2018

FINANCING TEAM – PLAN OF FINANCE

Financing Team

Weslaco Independent School District

- **Financial Advisor**
Hilltop Securities Inc., Pharr & Dallas, TX
- **Bond Counsel**
Bickerstaff Heath Delgado Acosta LLP, Austin, TX
- **Paying Agent**
U.S. Bank, N.A., Houston, TX
- **Rating Agencies**
Standard and Poor's, Dallas, TX
- **Underwriter**
TBD by the District if negotiated sale
- **Underwriter's Counsel**
To be chosen by the Underwriter(s) if negotiated sale

WESLACO INDEPENDENT SCHOOL DISTRICT

METHOD OF SALE CONSIDERATIONS

Types of Sales

Weslaco Independent School District

- **Competitive Sales**
Select the bid that results in the lowest effective interest cost for the issuer
- **Negotiated Sales**
Interest rates and underwriting spread are determined through negotiation with the underwriter(s), who has/(have) been previously selected to market the Notes
- **Private Placement**
A limited distribution to one or several investors such as bank placements

WESLACO INDEP

Competitive vs. Negotiated Sale

Weslaco Independent School District

Negotiated Sale		Competitive Sale							
<ul style="list-style-type: none"> ▪ Pre-selected syndicate negotiates the rates and terms with the issuer and the financial advisor ▪ Pricing could occur 1 to 2 days prior to the award date ▪ Size and structure can be finalized at pricing ▪ Underwriting spreads may be lower since there is less uncertainty during volatile markets ▪ Significant market data provides comparable transactions for pricing evaluation 		<ul style="list-style-type: none"> ▪ Notes sold at a certain date and time ▪ Once announced, the date, time, size and structure cannot be easily changed ▪ Limited flexibility could be mitigated with the ability to modify the bid specs before and after the sale ▪ Underwriter's discount is imputed in the interest rate ▪ Underwriting spreads may be higher during volatile market and/or with more complex credits ▪ In today's market, buyers are willing to pay-up for higher quality credits ▪ Numerous bids result in fair comparison 							
<table border="1" style="width: 100%; border-collapse: collapse; background-color: #D9E1F2;"> <thead> <tr style="background-color: #4F7942; color: white;"> <th style="text-align: left; padding: 2px;">Pros</th> <th style="text-align: left; padding: 2px;">Cons</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"> <ul style="list-style-type: none"> ▪ Flexibility in timing of sale to take advantage of market conditions ▪ Effective pre-sale education and marketing ▪ Reduced need to compensate for risk ▪ Ability to reprice with strong order flow ▪ Issuer involvement with allocations </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> ▪ Potential criticism of underwriting syndicate selection ▪ Need to find market comparators for price evaluation ▪ Potential additional underwriting cost for management fee </td> </tr> </tbody> </table>	Pros	Cons	<ul style="list-style-type: none"> ▪ Flexibility in timing of sale to take advantage of market conditions ▪ Effective pre-sale education and marketing ▪ Reduced need to compensate for risk ▪ Ability to reprice with strong order flow ▪ Issuer involvement with allocations 	<ul style="list-style-type: none"> ▪ Potential criticism of underwriting syndicate selection ▪ Need to find market comparators for price evaluation ▪ Potential additional underwriting cost for management fee 	<table border="1" style="width: 100%; border-collapse: collapse; background-color: #D9E1F2;"> <thead> <tr style="background-color: #4F7942; color: white;"> <th style="text-align: left; padding: 2px;">Pros</th> <th style="text-align: left; padding: 2px;">Cons</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"> <ul style="list-style-type: none"> ▪ Competitive posture ▪ Simplification of marketing process ▪ Objectivity related to underwriter selection </td> <td style="padding: 2px;"> <ul style="list-style-type: none"> ▪ Lowest cost of funds not assured ▪ Underwriting risk built into rate ▪ Lack of financing input ▪ Limited flexibility </td> </tr> </tbody> </table>	Pros	Cons	<ul style="list-style-type: none"> ▪ Competitive posture ▪ Simplification of marketing process ▪ Objectivity related to underwriter selection 	<ul style="list-style-type: none"> ▪ Lowest cost of funds not assured ▪ Underwriting risk built into rate ▪ Lack of financing input ▪ Limited flexibility
Pros	Cons								
<ul style="list-style-type: none"> ▪ Flexibility in timing of sale to take advantage of market conditions ▪ Effective pre-sale education and marketing ▪ Reduced need to compensate for risk ▪ Ability to reprice with strong order flow ▪ Issuer involvement with allocations 	<ul style="list-style-type: none"> ▪ Potential criticism of underwriting syndicate selection ▪ Need to find market comparators for price evaluation ▪ Potential additional underwriting cost for management fee 								
Pros	Cons								
<ul style="list-style-type: none"> ▪ Competitive posture ▪ Simplification of marketing process ▪ Objectivity related to underwriter selection 	<ul style="list-style-type: none"> ▪ Lowest cost of funds not assured ▪ Underwriting risk built into rate ▪ Lack of financing input ▪ Limited flexibility 								

WESLACO INDEPENDENT SCHOOL DISTRICT

Competitive vs. Negotiated Sale

Weslaco Independent School District

	Conditions Favoring Competitive Sale	Conditions Favoring Negotiated Sale
-Debt Structure		
*Pledge	-General Obligation	-System or project supported revenues
*Debt Instrument	-Serial or term CIBs	-Derivatives, discounts, CABs, PACs
-Credit Quality		
*Rating	-Highly Rated	-Lower Rated
*Outlook	-Stable	-Weak or negative
-Market Conditions		
*Interest Rates	-Stable, predictable	-Volatile or declining market
*Supply & Demand	-Strong investor demand, good liquidity, light forward calendar	-Oversold Market, heavy supply
-Policy Considerations		
*Participation in Sale of Bonds	-Broad Market Participation desired for Sale of Bonds/Notes	-Desire to ensure the participation of DBE and/or regional and retail firms
*Stimulation of Investor Interest	-Broad Market Participation desired for Purchase of Bonds/Notes	-Desire to make bonds/notes available to regional investors

Historically, the District has favored Negotiated Sales, followed by bank placements in the case of small transactions.

Negotiated Sale Underwriting Members

Weslaco Independent School District

- Senior Manager
 - Negotiates the discount, interest rates and yields on behalf of the syndicate
 - Coordinates pricing with the Financial Advisor, which includes marketing strategy and due diligence call
 - Maintains communication with the issuer, financial advisor and other syndicate members
 - Aggressively supports the financing to assure the issuer the lowest possible borrowing cost
 - Willing to commit capital
- Co-Managers
 - Increase market penetration and distribution
 - Adds to the marketing capability of the team by either having local presence, middle market capabilities or the ability to bring special niche investors to the table
 - Willing to commit capital
 - Put orders in for the Notes that are not fully subscribed and therefore supports the deal with their capital
 - Care must be taken not to expand number of co-managers to point that participation for each will be diluted beyond reasonable level of interest
- Selling Group
 - If used, will provide local retail order support to expand distribution and help lower borrowing cost
 - Not members of underwriting syndicate

Selecting an Underwriting Syndicate

Weslaco Independent School District

- Experience with the District:
 - Select underwriting firms that have
 - Supported the District's bond sales and have a proven track record
 - Called on the District and offered proposals or ideas of value
- Rankings:
 - Select firms that have high rankings based on Texas ISDs issues
- Request for Proposals:
 - Undertake a solicitation process
 - Takes time
 - May be difficult to evaluate based on objective criteria
- Considerations from Hilltop Securities Inc. as financial advisor:
 - Number of firms in syndicate based upon:
 - Size of transactions
 - Prevailing market conditions

List of Underwriters that have Recently Actively Marketed to the District

Weslaco Independent School District

- Siebert Brandford Shank & Co
- Stifel, Nicolaus & Company
- Stephens Inc
- Frost Bank
- FTN Financial
- Estrada Hinojosa & Co, Inc

List of Underwriters that have experience underwriting for WISD since 2008

Weslaco Independent School District

- Estrada Hinojosa & Co, Inc.
- Piper Jaffray
- Frost Bank
- Cabrera Capital Markets

SCHEDULE OF EVENTS

Schedule of Events

Weslaco Independent School District

August 13, 2018 – Regular Board Meeting

- Present Plan of Finance to Board of Trustees
- **Board of Trustees Considers and Approves Final Plan of Finance and directs Staff and Consultants to move forward with the Plan of Finance**
- **Board of Trustees Considers and Approves method of sale and appoints underwriter if negotiated method of sale is chosen.**

September 10, 2018 – Regular Board Meeting

- **Last day for Board of Trustees to appoint an underwriter if negotiated sale was approved on 8/13/2018**

October 15, 2018 – Special Board Meeting

- Pricing of the Notes
- **Board of Trustees authorizes issuance of the Notes**

Before Closing – Attorney General Approves Sale

November 7, 2018

- Closing and Delivery of funds to the District

February 15, 2019

- First Interest & Principal payment on the Notes

Key Actions to be taken by Board of Trustees



Hilltop Securities
A Hilltop Company

Member FINRA/SIPC/NYSE
© 2018 Hilltop Securities Inc.
All Rights Reserved

19

WESLACO INDEPENDENT SCHOOL DISTRICT

A special board meeting will be held on October 15, 2018 to approve the issuance of the Maintenance Tax Notes. Board action to approve the issuance of the tax notes cannot be made at the October 8th Regular Board Meeting because October 8th is Columbus Day and the markets are closed. Therefore, no transactions will occur on this day.

Board members addressed the following questions/concerns:

- Mr. Kennedy asked Mr. Vela if he recommended a negotiated sale vs. a competitive sale and if the amount for the payment had already been budgeted.
 - › Mr. Vela replied that the district has borrowed money through a negotiated loan in past years. As per Mr. Sanchez, the funds have been budgeted in the 2018-2019 budget.
- Dr. Rivera questioned the number of loans the district has obtained and if staff had calculated the amount of monies that needed to be placed in the budget for all the loans the district has borrowed. Dr. Rivera was concerned on the number of loans borrowed since the District has to pay back all the money.

According to Mr. Sanchez, this would be the fourth loan the district has borrowed.
› \$26,295,000 in principal plus \$4,855,000 for a total of \$31,150,000
› Paid from M&O taxes

- What is the life expectancy of the new vehicles?
 - › Buses – 10 to 15 years

Mr. Kennedy commented that he did not want to ask for a loan to purchase a vehicle that its life expectancy will expire before the district has even finished paying for it.

According to Mr. Lupe Garcia, buses purchased in the year 2000 were still operable before the flood.

Andrew Gonzalez stated that people cannot prepare for a flood, unlike a hurricane where people can board up their home, move their vehicles to higher ground, and protect their children upon notice. He pointed out that the forecast for June 20th called for isolated rain (2-4 inches) which could produce 2 to 3 feet of water in poor drainage areas. He stated, "We cannot control what happened that day." Thus, at that time there was no reason to move the fleet."

According to Mr. De La Rosa, Weslaco received 16 inches of rain in four hours. Mr. Garcia confirmed that the buses were 4 feet under water and remained two to three days in 2 feet of water.

As per public comments made earlier on the use of district money, Mr. Gonzalez stressed that no one likes to borrow money; however, since the bond issue did not pass the year before, the district now has to borrow money to buy buses that are much needed for the start of the new school year. He wanted to know if there was another solution to acquire the new buses.

Dr. Rivera reiterated that the district needed to purchase the buses in order to operate for the start of the school year; however, he pointed out that the district could not keep borrowing money all the time. He wants to make sure that the district is able to pay this money back. He questioned the number of outstanding loans.

Mr. Sanchez replied that the district would have four (4) outstanding loans, with this loan included:

- 1) CAPS
- 2) Energy Efficiency Improvements
- 3) \$15 million loan that generated \$17 million
- 4) \$5,000,000 Maintenance Tax Notes

Dr. Rodriguez wanted to know what items would be covered through the insurance reimbursement. According to Mr. Sanchez, the district should receive a \$3.2 million settlement for buses, suburbans, and pick-up trucks.

Andrew Gonzalez made the motion to approve the plan of finance presented and the negotiated method of sale for the possible issuance and sale of Limited Maintenance Tax Notes, Series 2018. Oscar Caballero seconded the motion and it passed unanimously.

I. Discussion and Possible Action for the Board to Select One or More Underwriter(s) for the Possible Issuance and Sale of Limited Maintenance Tax Notes, Series 2018

The Board approved the District to proceed with the final plan of finance as presented earlier in the meeting, and has selected the negotiated sale method for the sale for approximately \$5,000,000 for the purchase of school buses, other district vehicles, and equipment.

The Administration recommended the Board select one underwriter company due to the size of the issue. However, if the Board selects two underwriting companies, the Administration recommended that one company be hired as senior underwriters and another company be hired as manager underwriters. The senior underwriters would be assigned to sell 60% of the bond issue, and the manager underwriters would be assigned to sell 40% of the bond issue.

Being that the District has worked with Estrada Hinojosa & Company and Frost Capital Markets, Mr. Kennedy asked Mr. Vela if one of the companies was better than the other one. Mr. Vela informed the Board that both companies have performed very well. Estrada Hinojosa has acted as senior in past years, and Frost Bank has been the co-manager who has very good distribution in the area of bank qualifies. He was satisfied with the services provided by both companies.

Patrick Kennedy made the motion to approve Estrada Hinojosa & Company as the senior underwriter and Frost Capital Markets as the manager underwriters. Andrew Gonzalez seconded the motion and it passed unanimously.

J. Discussion and Possible Action to Ratify the Purchase of 10 School Buses and 5 Vehicles as a Result of Damage Associated with Severe Weather in June 2018

The Transportation and Maintenance Departments were heavily affected by the severe weather/heavy rains that occurred in June 2018. Due to the flooding in this area, vehicles, school buses, and equipment were damaged. The district will need to incur expenditures for the replacement and acquisition of vehicles, including, but not limited to: school buses, delivery trucks, maintenance vehicles as well as furniture and equipment among other expenditures.

Between Tuesday, July 10, 2018 and Friday, August 3, 2018, staff purchased 10 conventional school buses, 3 pick-up trucks, and 2 suburban SUVs from the following vendors. The Superintendent recommended that the Board ratify the purchase.

P.O. #	Vendor Name	Count	Type of Bus/Vehicle	Amount
18013206	Longhorn Bus Sales	July 10, 2018	10 Conventional Buses	\$ 926,020
18013294	Spikes Ford	July 12, 2018	1 Pick Up Truck – 2018 Ford F150 Ext. Cab	25,000
18013294	Spikes Ford	July 12, 2018	1 Pick Up Truck – 2017 Ford F150 Ext. Cab	25,000
18013482	Caldwell Country Chevrolet	August 3, 2018	1 Pick Up Truck – 2018 Chevy 1500	25,800
18013482	Caldwell Country Chevrolet	August 3, 2019	2 Suburban SUVs	\$ 85,417
TOTAL				\$1,088,070

Patrick Kennedy made the motion to ratify the purchase of 10 conventional school buses, 3 pick-up trucks, and 2 suburban SUVs ordered between Tuesday, July 10, 2018 and Friday, August 3, 2018 as presented. Oscar Caballero seconded the motion and it passed unanimously.

XII. Adjournment

The meeting adjourned at 8:34 p.m.