

**Burlington School District  
Monitoring Report**

**Policy Title: 2.5 Asset Protection**

This is the annual report on compliance with the School Board's Executive Limitation policy 2.5 Asset Protection for Fiscal Year 2018. I certify that the information contained in this report is true and validated by the Executive Director of Finance.

Yaw Obeng, Superintendent

February 5, 2019

Policy Statement:

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

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

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

<b>Limitation:</b>	1. Allow board members, staff and the District itself to be inadequately insured against theft and casualty losses and liability.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall ensure that there is adequate comprehensive property and casualty insurance coverage for the District. The Superintendent shall also ensure that adequate liability insurance is in place to cover staff and the District as an organization.

**Evidence:** The District’s insurance policy covers damage to all district buildings (for their full value, based on a statement of values included in the policy) resulting from events such as fire, theft and vandalism; it also covers floor and earthquake damage up to specific limits. Certain machinery, such as boilers, are also insured against various losses. Computer hardware and software are insured against a variety of losses, including hacking and viruses. A variety of other property losses are also insured, such as athletic equipment, district vehicles, and district records. The District is insured against certain criminal losses, including employee theft and computer fraud, and data breaches. The District also maintains various liability coverages, including automobile, wrongful acts, including sexual misconduct. Workers’ compensation insurance is also maintained. The Director of Finance reviews coverage limits on an annual basis. The [Schedule of Coverages](#) is included in this report and describes the various types over coverage as well as coverage limits.

<b>Limitation:</b>	2. Allow un-bonded personnel access to material amounts of funds.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall secure insurance coverage against loss associated with employee theft and fraud. Martiality is defined as any amount over \$5,000 of cash or checks.

**Evidence:** The District is insured against various criminal losses, including employee dishonesty and and fraud. All employees, regardless of frequent or regular contact with District funds, and regardless of the amount of funds, are covered by this insurance policy. See the [Schedule of Coverages](#) Governmental Crime section.

<b>Limitation:</b>	3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall ensure that the District implements an appropriate program of repair and maintenance commensurate with the amount of funding appropriated for such activities. Improper wear and tear is use that is beyond the intended life or purpose of the facility or equipment, placing their utility in jeopardy and potentially causing harm to individuals who occupy or use the facility.

**Evidence:** The District employs a Director of Property Services who is primarily responsible for overseeing the day-to-day work of maintenance and custodial staff, whose jobs is to keep District facilities in clean and operable. The District utilizes an electronic Work Order System (SchoolDude) for submission of maintenance request tickets by employees. The Director of Property Services works to address various repair and maintenance needs within budgeted resources. All fleet vehicles are property maintained by the District’s certified mechanic and inspected annually to meet all Vermont vehicle inspection requirements.

While less expensive repairs are dealt with on an ongoing basis, the Superintendent also identified and developed a long-range capital plan after undertaking a thorough facility capital assessment. Capital planning information is available from the [District website](#). In June 2018, work began on major renovations to the Edmunds campus. This work is expected to be completed in September, 2019. Development of a new preschool center was halted by the School Board on [June 12](#). The Board subsequently established a Pre-K Task Force to consider alternatives.

Additionally, in the fall of 2018, Burlington voters authorized BSD to borrow up to \$70 million for the purpose of substantially renovating Burlington High School. Detailed design work is currently underway, and will serve as the basis to solicit bids for construction management services later this year.

In December 2018, the school board heard from a BHS student concerning the BHS bathroom stalls and cleanliness. The next morning, Superintendent contacted the property services director and the BHS principal to address these concerns; the complaints were resolved within 48 hours. However, the repair failed, resulting in the issue being reported again. At the time, the Senior Facilities Technician position (responsible for coordinating the repair work) was vacant; the staff temporarily assigned those duties assumed that the second report was a duplicate work order and closed it without fixing the issue. The Senior Facilities Technician has since been filled, which should keep this from happening again. The maintenance department works hard to make sure all facilities are as clean as possible. The department is challenged by the high volume of workers out on workers compensation injury cases, and the high amount of leave available and used by department employees.

<b>Limitation:</b>	4. Unnecessarily expose the District, its board, or its staff to claims of liability.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall not allow risks to be taken that are not part of the normal course of operations.

**Evidence:** A variety of procedures and activities are in place to minimize the District’s exposure to liability claims. For example, the District has uniform hiring practices and obtains criminal

background checks for new employees. The District provides numerous required OSHA trainings, such as proper lifting, slips, trips & falls, fall protection, blood born pathogens and hazardous materials training to custodial and maintenance staff. The District utilizes outside legal counsel to provide advice when there are risks of litigation. The District also seeks to mitigate exposure to workers' compensation claims by utilizing professional services from Green Mountain Safety. The District employs a part-time safety coordinator, who facilitates safety work across the district, including monthly District Safety team meetings. Additionally, each school has its own safety team. The District has an emergency procedures manual, and each classroom is equipped with a set of safety instructions for various emergencies. The District's financial accounting system is protected by a firewall and is not accessible from outside of the BSD network. All of these activities attempt to reduce the likelihood of the District experiencing a substantial liability claim.

<b>Limitation:</b>	5. Allow information and files to be exposed to loss or significant damage.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent will ensure the District data (in paper or electronic format) is safely stored, and protected against loss from theft, hacking, fire, and other risks.

**Evidence:** District staff that are responsible for handling confidential records receive training from department heads. Human Resources maintains employee files in locked filing cabinets. Information from employee files is only released when required by law, or when the employee has granted the release of information. The District's financial accounting system is protected by a firewall and is not accessible from outside of the BSD network. Student education and special education records are maintained in locked filing cabinets at each school. Student data systems are password protected. There have been no reported incidents of significant loss or damage during the past year; however, we intend on scheduling a review of the process for maintaining records.

<b>Limitation:</b>	6. Fail to integrate Restorative Practices into the district's Continuous Improvement Plan; fail to implement systemic restorative practices.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall utilize restorative practices as a means to (1) enhance school climate, (2) reduce social and behavioral issues, (3) begin to close the achievement gap, (4) improve outcomes for historically marginalized students.

**Evidence:** The Director of Equity and Safe/Inclusive Schools continues to implement the Superintendent's Restorative Practices mandate district-wide. To ensure this work is having the systemic impact the Superintendent desires, all district-wide professional development time has been devoted to Restorative Practices. To date, teachers and staff have participated in one full day and two half day PD opportunities focused on RP. Also, as part of each school's Continuous Improvement Plan (CIP), each school has Restorative Practices as its primary means to improve school climate and each school currently has a Restorative Practices team that leads RP training for that school. Finally, once a month representatives from each school join District leadership assemble for a "RP Collaborative" which assesses the impact RP is having in the district and makes recommendations to move RP forward.

Data from the [2017-18 Equity Inclusion Data Report](#) shows that overall suspensions were down for the second year in a row. For some demographic groups, out of school suspension rates dropped, while for other groups rates increased from FY2017 to FY2018.

Funding for restorative practices is part of the FY19 budget (see page 5 of the [Comprehensive Budget Document](#)).

<b>Limitation:</b>	7. Compromise the independence of the board's audit or other external monitoring or advice.
<b>Status:</b>	In Compliance

**Interpretation:** The District's auditors shall not be engaged in other responsibilities with the District that would prevent them from issuing an objective audit report. The Superintendent shall not recommend or retain an audit firm that lacks sufficient knowledge of public accounting and experience auditing school districts.

**Evidence:** The District's accounting firm is RHR Smith & Company. RHR Smith is a firm of Certified Public Accountants that performs governmental and nonprofit audits, including audits for many Vermont school districts. More information on RHR Smith can be found [here](#). RHR Smith is subject to periodic Peer Review in accordance with American Institute of Certified Public Accountants guidelines and [passed its most recent review](#). The District does not have any contractual relationship with RHR Smith & Company beyond the audit contract.

<b>Limitation:</b>	8. Endanger the District's public image, its credibility, or its ability to accomplish Ends.
<b>Status:</b>	In Compliance

**Interpretation:** The Districts credibility and public image is built on promoting student achievement within the resources provided by the community.

**Evidence:** According to independent auditors, the Districts financial statements “present fairly, in all material respects” the District’s financial activities (see page 2 of the [FY18 audit](#)). This audit reflected a budget surplus and provides evidence of the progress made to restore confidence in the District’s financial management. In order to ensure the District’s credibility and public image remains positive, the district retains a full time communications specialist. In addition to other duties, the communication specialist is responsible for improving internal and external communication; coordinating, creating, and disseminating timely information regarding District activities and initiatives; responding to rumors on social media and elsewhere when appropriate; and working with the media to both respond to erroneous claims and rumors, as well as ensure positive coverage of key district activities.

<b>Limitation:</b>	9. Close any buildings as public schools.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall not permanently close one of the District’s public schools unless directed to do so by the Board.

**Evidence:** Champlain Elementary School, Edmunds Elementary School, Sustainability Academy, Integrated Arts Academy, Smith Elementary School, Flynn Elementary School, Edmunds Middle School, Hunt Middle School, and Burlington High School all remain open as public schools.

<b>Limitation:</b>	10. Deviate from Burlington Investment Procedures or expose any Burlington School District endowments to unnecessary financial risk.
<b>Status:</b>	In Compliance

**Interpretation:** The Superintendent shall ensure that district funds are deposited and maintained in a secure banking institution.

**Evidence:** The District’s primary checking account (used for the vast majority of transactions) and its bond sinking fund, are maintained at TD Bank, N.A. Other banks are used for student activity accounts. District funds are either fully insured by federal depository insurance or collateralized with an irrevocable standby letter of credit. The Districts depository and investment practices are reviewed by independent auditors (see page 35 of the [FY18 audit](#)).

SCHEDULE OF COVERAGES	LIMITS
<b>Commercial Property</b> Provides replacement cost coverage for the districts physical assets (buildings, contents...etc.) Separate floaters apply for computer coverage, fine arts coverage, valuable papers, and misc multimedia equipment	\$131,857,054
<b>Equipment Breakdown</b> Protects against short circuit, electrical arcing, power surges, mechanical breakdown, motor burnout, boiler damage and operator error for HVAC, electrical distribution, telephone, computers, and refrigeration equipment	\$100,000,000
<b>Flood Coverage</b>	\$5,000,000
<b>Earth Movement Coverage</b>	\$5,000,000
<b>Turf Field</b>	\$1,020,000
<b>Installation Floater (school renovations)</b>	\$250,000
<b>Builder's Risk - Edmunds</b>	\$4,500,000
<b>Emergency Event Management Coverage (includes violent event)</b> Responds to covered emergencies such as actual or attempted violent acts, contamination from bacterial micro-organisms, and specified felonies.	\$100,000
<b>Governmental Crime</b> Includes employee theft, as well as faithful performance of duty coverage	\$500,000
<b>General Liability</b> Provides protection for the District against liability claims for bodily injury and property damage arising out of premises, operations, products, and completed operations; and advertising and personal injury liability. Groups, board members, trustees, student teachers, safety patrol and approved groups, as well as volunteer workers and co-employees. Coverage also includes student internship liability coverage.	\$1,000,000/\$2,000,000
<b>Employee Benefits Liability</b> Liability for the District for an error or omission in the administration of an employee benefit program, such as failure to advise employees of benefit programs.	\$1,000,000/\$2,000,000
<b>Sexual Misconduct &amp; Molestation</b> Provides the District bodily injury coverage for acts of multiple, continuous, or repeated acts of sexual misconduct and sexual molestation by one person or two or more persons acting together.	\$1,000,000/\$1,000,000
<b>School &amp; Educator's Legal Liability</b> Protects District and their employees, substitute teachers, volunteer workers, student teachers and student interns against actual or alleged wrongful acts committed while acting within the scope of his or her duties that are inherent to the operation and functioning of an educational institution.	\$1,000,000/\$1,000,000
<b>Employment Related Practices Liability</b> Protects the District against claims alleging a "wrongful employment act" against employees, third parties and applicants	\$1,000,000/\$1,000,000
<b>Not for Profit Directors &amp; Officers Liability</b> Protects against actual or alleged wrongful acts by individual Insureds and the District, including error, omission, misstatement, misleading statement, neglect, or breach of duty by an insured while acting in the scope of their duties.	\$1,000,000/\$1,000,000
<b>Commercial Automobile</b> Provides auto liability, including uninsured/underinsured motorists' liability, and physical damage coverages for the school district's fleet of vehicles. Replacement cost coverage is provided for school buses.	\$1,000,000
<b>Workers' Compensation &amp; Employer's Liability</b>	Statutory/\$500,000
<b>Excess and Umbrella Liability</b> Provides excess liability coverage for all liability coverages listed here, except for the aircraft specific liability, workers' compensation coverage and the international package coverage.	\$15,000,000
<b>Aircraft Specific Liability</b> Liability coverage for the aircraft used by BTC	\$11,000,000
<b>International Package</b> Liability coverage for the Districts employees while traveling outside the US for the District's educational purposes.	
General Liability	\$1,000,000/\$2,000,000
Employee Benefits Liability	\$1,000,000/\$1,000,000
Contingent Auto Liability	\$1,000,000
Employers Liability	State of Hire/\$1,000,000
<b>Cyber Liability</b>	\$1,000,000

