

THE SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA

MINUTES, APRIL 19, 2013

The School Board of Escambia County, Florida, convened in Regular Workshop at 9:00 a.m., in Room 160, at the J.E. Hall Educational Services Center, 30 East Texar Drive, Pensacola, Florida, with the following present:

Chair: Mr. Jeff Bergosh Vice Chair: Mrs. Linda Moultrie

Board Members: Mr. Gerald W. Boone
Mrs. Patricia Hightower
Mr. Bill Slayton

School Board General Counsel: Mrs. Donna Sessions Waters

Superintendent of Schools: Mr. Malcolm Thomas

Meeting was advertised in the *Pensacola News Journal* on April 1, 2013 - Legal No. 1594512

I. CALL TO ORDER

Mr. Bergosh called the Regular Workshop to order at 9:00 a.m. He welcomed everyone in attendance to the regular monthly workshop of the Escambia County School Board.

II. COMMENTS FROM SUPERINTENDENT

Charter School FTE Projection Appeals

The Superintendent said he wanted to alert the School Board on how the School District was going to handle FTE projection appeals for charter schools. He said that several charter schools had made appeals based on their hope that they were going to elevate their numbers significantly for next school year. The Superintendent said that charter schools would be treated similar to regular District schools in that the School District would base their projected FTE based on current FTE; therefore, however charter schools had performed during this current school year in terms of student population is how they would begin for July 1st. He said that at the point of the 10-day count, all the students that charter schools currently had in seats that they put in the School District's system, if they have exceeded either up or down the FTE projection by more than 5%, then the School District would go ahead and make the adjustment based at the 10-day count just like was done for regular District schools. The Superintendent said that School Board Members might hear from some charter schools about this matter. He said that he had talked to most of the charter schools who had appealed and they understood the rationale but we cannot just speculate. He said the other things was that if we go out and pay them for an extra 50 or 60 students and they do not show, then we have to take the money back because we begin payments of charter schools on July 1st so this protects everybody and makes sure that what we are paying is as accurate as possible.

III. PROPOSED ADDITIONS OR REVISIONS TO SCHOOL DISTRICT RULES

Approval to Advertise Notice of Intent to Adopt Amendments to Rules and Procedures of the District School Board: Chapter 5, Business Affairs (6Gx17-5.01, 5.02)

5.01 Finance and Accounting – Fiscal Management

(2) Annual Budget

C. A Truth in Millage (TRIM) budget calendar shall be presented to the Board for adoption in December of each year. The budget calendar shall include appropriate timelines for the

~~presentation of school level staffing allocation plans and the departmental personnel planning document.~~ The dates prescribed for adoption, advertisement and hearings shall be in accordance with Truth in Millage (TRIM) guidelines as published by the Florida Department of Revenue and as required by Section 200.065, F.S. Dates relevant to other budgeting activities requiring School Board approval such as staffing allocation plans and the departmental personnel planning document shall be presented to the Board at the appropriate time.

Mr. Bergosh was curious about why the change had been made about the dates for reporting other budgeted items and personnel decisions, whether it was statutory language or was it developed locally. He also wanted to know what “at the appropriate time” meant as it was kind of nebulous. Mr. Terry St. Cyr, Assistant Superintendent for Finance and Business Services, said what they were looking to do with that is they were going to provide for School Board Members, a truth-in-millage (TRIM) calendar just like they always did, that would provide all the required budget hearing dates, workshop dates, advertisement dates, but would take out some of the day-to-day operating things that staff does that they may not be able to hold to that calendar because of certain issues coming up within the department. He said that they did not want to clutter up the calendar that is given to the School Board with some of the issues that we might deal with internally. Mr. Bergosh wanted clarification as to whether that language was developed locally or whether it was statutory. Mr. St. Cyr confirmed that it was internal language. Mr. Bergosh said he had no issues with it; his only concern was that whatever timeline was established that School Board Members get their materials in a timely fashion so that they had ample opportunity to thoroughly review. Mr. St. Cyr said that nothing would change in terms of giving School Board Members adequate time to review materials that were provided; he said that staff simply did not want to “clutter up” that calendar for which they may not internally be able to hold to certain non-statutory dates that they had set for themselves.

5.02 Purchasing

(7) Competitive Solicitation Procurement Process

F. Purchases will be exempt from the competitive solicitation procurement process when such purchase complies with the following:

12. Except as otherwise required by statute, the Board when purchasing insurance, entering risk management programs, or contracting with third party administrators may make any such acquisitions through the competitive solicitation process as described herein or by direct negotiations and contract.

Mr. Bergosh wanted to know if the change to this section was due to statutory language or if it was language that had been developed locally. Mr. Terry St. Cyr, Assistant Superintendent for Finance & Business Services, said that all of the changes to the verbiage under 5.02 Purchasing had been made so it reflected the Florida Administrative Code (FAC). Mr. St. Cyr said that Mr. John Dombroskie, Director of Purchasing had requested the revisions under 5.02 Purchasing to ensure that School Board policy adequately reflected the FAC.

Approval of Minutes, Section IV

1. 03-13-13 SPECIAL WORKSHOP
2. 03-15-13 REGULAR WORKSHOP
3. 03-19-13 REGULAR MEETING

Mr. Bergosh complimented Mrs. Holley DeWees, Administrative Recording Secretary, on the “fantastic job” that she had been doing on the meeting minutes.

- IV. CONSENT AGENDA
- A. Curriculum and Instruction
-No items discussed

Mr. Bergosh thanked Mr. Steve Marcanio, Assistant Superintendent for Curriculum & Instruction, for the time that he and his staff took to have a one-on-one meeting with him to discuss the items under this section.

B. Finance

6. Scrap Lists I, II, and III April 2013

Mr. Bergosh pointed out that there were a large number of computers and laptops on the scrap lists for April 2013. He knew that staff had developed a standard operating procedure (SOP) for computer equipment that was in workable, useable condition to be donated to churches, charitable organizations, etc. He wanted to know if there had been any takers on that because there were a large number of computers going to the scrap heap. Mr. Tom Ingram, Director of Information Technology (IT), said there had not been any so far. He said that since that policy was put into place there had not been any functional equipment to be disposed of. He noted that everything on the scrap lists for April 2013 was non-functional. He said that there was a place on the District website for organizations to request equipment but none had been requested thus far and staff had not really advertised it because there was none that was available at the moment.

7. Auction Lists I, II, and III for April 2013

Mr. Bergosh noted that there was a large amount of kitchen items on the auction lists for April 2013. He wondered if the School District had hit the replacement cycle for school kitchens because of the large amount of kitchen equipment on the auction lists for April 2013. Mr. Shawn Dennis, Assistant Superintendent for Operations, said that there had been a very large equipment replacement cycle that was probably long overdue. He said every one of our school kitchens had received a substantial amount of heavy equipment. He noted that the items on the auction list had been on those kitchens for a very long time. He said that subject matter experts had gone through everything and while some items were deemed surplus and listed on the auction list, other items were scrapped for salvage value.

At this time, the following item was handled:

Newpoint Academy Monthly Report, Item VII.2

Newpoint Academy Monthly Report – A copy of this report was provided to School Board Members prior to this workshop. Mr. John Graham, Director of Newpoint Pensacola Academy, said that the report data had not changed from the February report because the school had just completed its Discovery Education Assessments and third nine-weeks testing on the day that this report was generated (March 8th); he said the information would instead be included in the school's monthly report for April 2013. Because School Board Members had raised the issue of teacher turnover in the past, Mr. Graham reported that another teacher had unfortunately resigned from Newpoint that past Monday. Fortunately however, Mr. Graham said that he had two scheduled interviews with certified teachers to hopefully fill that recently vacated position. Mr. Graham said that he had contacted the parents of the students about the resignation of their child's teacher and addressed any concerns that they might have had. He said that the resignation had occurred during the grading period so the school was working hard to ensure that the students were given a fair and consistent grade for all that they had accomplished under the previous teacher, while also preparing them to get through the rest of the school year. Upon inquiry by Mrs. Hightower, Mr. Graham said that the teacher who had recently resigned had taught the middle and high school Spanish courses. Mr. Graham also mentioned the following important notes:

- Two teachers had recently taken and passed Subject Area Exams and were now certified in their assigned discipline
- The school had now conducted four (4) sessions of Saturday school
- Students were recently part of the official welcoming delegation for the former Israeli Ambassador to the United States
- Leadership team attending Common Core trainings

Mr. Slayton noted that Newpoint's total projected enrollment for 2012-2013 was 376 (276 for middle school and 100 for high school); yet the current enrollment as of March 7th was only 248 (158 for middle school and

89 for high school). He wanted to know if Newpoint would be around next school year. Mr. Graham responded that he was hopeful that the school would remain in operation next school year. He acknowledged that the early projections for 2012-2013 were more than was actually attained on the first day of this school year; in addition, the school had recently lost several students either because their parents simply could not afford the transportation costs or simply because their parents chose to withdraw them for some other reason(s). Mr. Graham said that Newpoint would continue efforts to improve the school culture and attract and retain additional students and teachers. Mr. Slayton asked Mr. Graham if he had polled his current teachers to find out if they planned to return next school year. Mr. Graham said that he had asked teachers back in January about their plans and overwhelmingly they were very positive about returning for the next school year. Mr. Slayton said he would like to see the number of teachers who were planning to return next school year on the school's monthly report for April 2013. Mr. Bergosh said that for the April 2013 monthly report, he would like Mr. Graham to be prepared to answer the following questions with regard to the possibility that Newpoint's middle school receives an "F" for the second consecutive year and the School Board decided to terminate that portion of Newpoint's contract, (1) Would Newpoint seek a waiver for their middle school from the State Board of Education? (2) If Newpoint chose not to seek a waiver for their middle school, would they continue to operate their high school? There were no other questions for the representatives for Newpoint Academy.

At this time, the following item was handled:

Dixon School of the Arts Monthly Report, Item VII.1

Dixon School of the Arts Monthly Report - A copy of this report was provided to School Board Members prior to this workshop. Ms. Linda Scott and Ms. Modeste McCorvey were present to answer any questions from School Board Members regarding the information outlined in the report. Ms. McCorvey said that after submitting the monthly report she realized that they had failed to indicate the following corresponding "Success Zone" for each color used in the probability of success pie charts as listed on page 2 of the report: High Success, Green; Moderate Success, Yellow; and Low Success, Red. Ms. McCorvey said that she realized that Dixon still had some challenges with several of their grade levels but most were trending upward. Mr. Bergosh noted that Dixon's enrollment as of March 7th was 155 students. Upon inquiry by Mr. Bergosh, Ms. McCorvey said that the current enrollment of 155 students was a good number for Dixon. She said that for the most part, Dixon's enrollment had remained pretty constant. Mr. Bergosh commented that Dixon's fund balance was very low. Ms. Scott provided School Board Members with a copy of a letter from Dixon's CPA regarding the District's concerns with the school's cash balance from November 2012 through January 2013. The letter pointed out that even though it appeared that Dixon did not have sufficient cash to meet current needs, the school was able to meet all financial obligations. The letter also mentioned that the school had a line-of-credit it could access, if needed, to help with cash flow; and additionally, in November, December, and January, the school received donations totaling \$42,418. Mr. Bergosh wanted to know the current balance of the school's line-of credit. Mr. Terry St. Cyr, Assistant Superintendent for Finance and Business Services, said that at the end of January, \$37,202 of the school's line-of-credit had been accessed. Mr. Bergosh wanted to know how much actual cash was received as a part of the \$42,418 in donations; he asked that future reports on donations list the amount of cash received as opposed to other types of donations.

The Regular Workshop recessed at 10:00 a.m. and reconvened at 10:13 a.m., with all School Board Members, the Superintendent, and Mrs. Waters present.

B. Finance (continued)

8. Financial Status Report: Employee Benefit Trust Fund

Mr. Bergosh asked Mr. Terry St. Cyr, Assistant Superintendent for Finance and Business Services, to provide an update on the health portion of the Employee Benefit Trust Fund, as that was an issue he was always interested in and it appeared to him that we were coming in at or above projections. Mr. St. Cyr said that since September 2012, that month started about six (6) successive months ending February 28th of increases to the trust. He noted that in September 2012 the trust increased by $\frac{3}{4}$ of a million and then across anywhere from $\frac{1}{2}$ a million or less and at February 28th there was a net income of \$339,000 so the trust is doing fairly well. He said he believed it was doing

well enough to be fairly comfortable that it was on the right direction; however, he noted that on the March statements, staff would expense the property purchase for the health clinic and that would be just short of \$700,000 that would be directly expensed to this trust so it may show a negative for the operating portion for that month but that is a one-time expenditure. He said we will also need to be careful to note that all of the health clinic costs we will start applying to this trust fund whenever it opens so we will see those costs each month; he said the offset to that will be claims expense and that is an unknown at this point but it was not like it was revenue back or anything like that. Mr. St. Cyr said that the intent for the trust was that claims expense should go down. He commented that overall was doing pretty good, noting that the trust fund started out at \$3.1 million in reserve at the beginning of the fiscal year and was at \$5.3 million at the end of February.

C. Human Resource Services

1. Instructional /Professional
 - g. Special Requests

Mrs. Hightower said she realized that Human Resource Services had recently gone to an abbreviated agenda listed; however, she would like to request that in the future, each special request item be listed separately and linked separately since each special request item dealt with a separate type of item. She believed it would be easier for School Board Members to review the information if it was listed and linked separately. Mr. Bergosh expressed his continuing concern that PDF files hyperlinked to the e-agenda were larger than necessary. He asked the Superintendent and his staff to look into this issue and to determine whether the equipment used for scanning agenda backup documentation could be adjusted so that PDF file sizes were compressed. The Superintendent said that he would have Mr. Tom Ingram, Director of Information Technology (IT) look into the issue.

2. Educational Support Personnel
 - d. Terminations

Mrs. Hightower noted that one of the termination requests was from October 10th (Grant, Dawn J., Food Service Assistant I, Pine Forest High) and so she wanted to know why the School Board was just now being asked to approve that request in April 2013. Before Mr. Jerry Caine, Manager-Educational Support Personnel was able to respond to Mrs. Hightower, Mr. Bergosh pointed out that the termination request was actually for a future date of October 10, 2013. The Superintendent pointed out that the year of 2013 should be 2012. Mr. Caine said he could confirm that Ms. Grant was no longer with the School District but would need to verify the termination date as October 10, 2013 was obviously a typographical error.

3. Risk Management
 - b. Willis of Florida, Business Associate Agreement
 - c. Truveris Inc., Business Associate Agreement

Mr. Bergosh said it seemed to him as if Truveris Inc. would be doing the same function as Willis of Florida. Mr. Terry St. Cyr, Assistant Superintendent for Finance & Business Services, clarified that Truveris Inc. would be working for Willis of Florida and not for the School District; in other words, Truveris Inc. would work for the School District through Willis of Florida. Upon inquiry by Mr. Bergosh, Mr. St. Cyr confirmed that Truveris Inc. was essentially a subcontractor. The Superintendent said there was an agreement with Willis of Florida through this year. He noted that Willis was currently in the middle of several projects for the School District. He said a final determination about renewing Willis's contract for next year would be made later. The Superintendent said that he believed Truveris Inc. would be helping the School District on the prescription drug claim process as that was their area of expertise. Mr. Kevin Windham, Director of Risk Management, said that Truveris was part of the Request for Proposal (RFP) analysis on the Prescription Benefit Manager (PBM). He said that while Willis had certain expertise, they did not have the expertise that Truveris had. Mr. Windham clarified that Truveris was a business partner of Willis and that there was a fee that Truveris would be paid by the PBM that actually

receives the PBM contract for January 1st. He also said there was an on-going auditing fee so they would be assisting the School District on an on-going basis for auditing prescription drugs claims going forward in next year as well. Mr. Bergosh asked if Truveris had been working for the School District for some time because the contract indicated a date of February 11, 2013. Mrs. Hightower pointed out that the contract had an effective date of February 11, 2013; however, the executive summary sheet indicated that the effective date was January 11, 2013. Mr. Windham clarified that the School District was not paying Truveris. He said that the business associate agreement with Truveris was necessary due to HIPAA (Health Insurance Portability and Accountability Act). He said that a business associate agreement would be necessary regardless of what vendor was used. Mr. Bergosh asked if the School District's monthly payment to Willis would be increasing by Willis bringing on Truveris as a subcontractor. Mr. Windham responded that the payment to Willis would not be increasing. Mr. Bergosh again referred to the discrepancy in dates on the executive summary sheet and the contract. Mr. Windham said that he would have to look at it more closely but he believed it was simply a typographical error on the executive summary sheet.

D. Purchasing

6. Lease of Portable Modular Classroom Units for A.K. Suter Elementary School

Mr. Bergosh noted that the A.K. Suter Elementary School Replacement was a "big" project that the School District had undertaken. Upon inquiry by Mr. Bergosh, Mr. Anthony Noles, Director of Facilities Planning, confirmed that the lease of portable modular classroom units was not part of the construction bid for the Suter replacement project. Mr. Noles explained that these seven (7) modular classroom units would temporarily replace an existing five (5) classroom building that was being demolished and two (2) portables that were being moved to allow for the new construction area. Mr. Bergosh wanted to know if the cost of this lease (\$228,882) had been anticipated. Mr. Noles responded that some portable relocation cost had been anticipated. Mr. Bergosh noted that this \$228,882 was a large expenditure. He questioned whether there were any other ideas that would not have necessitated the rental of extra modular capacity. He wondered if construction could have been staged different but Mr. Noles pointed out that the construction site was very constricted. Mr. Noles said the only other possible scenario would have been to leave the existing five (5) classroom building but he noted that the building would have extended into the new construction space. Mr. Bergosh noted that one of the guidelines for bidders was that there was no movement of students. Mr. Shawn Dennis, Assistant Superintendent for Operations, noted that by leasing these portable modular classroom units, students could remain on campus. He said the one building that was involved was the only building that was beyond the center line of the property and actually in the new construction zone. He said the original intent was to try to work around that building as long as possible and not displace it; however, that simply became unfeasible due to the constraints of that particular site so the modular and the portable relocation is on campus and we were just displacing the classrooms in that building but not displacing the students somewhere else. Mr. Bergosh pointed out that maybe students were not being displaced to a different school but they were being displaced from their current classrooms to a modular unit. Mr. Bergosh wanted to know if there had been no other viable alternatives presented that would have saved the District this \$228,882 for leasing modular classrooms. The Superintendent pointed out that the District would get continued use out of the modular units as they would not only be used at Suter but would also be used at other schools to upgrade older wooden portables once the Suter project was completed. The Superintendent then realized that he had misspoken as he had thought that these modular units were being purchased, however, staff clarified that the units were only being leased for the duration of the construction. The Superintendent pointed out that not having to relocate students had always been the goal. He noted that it had been very challenging to keep the students on site at Suter while constructing a new building at the same time.

9. Bid Award: Washington High School Campus Sign/L.E.D. Message Center

Mr. Slayton said the various bids for this project were "pretty wild" in that they ranged from \$38,000 to \$64,300. He wanted to know just how much an L.E.D. sign would cost. Mr. Anthony

Noles, Director of Facilities Planning, said he believed that this particular sign was about \$10,000 for the one-sided L.E.D. component. Mr. Slayton said he did envy schools around the state of Florida that had L.E.D. signs as they seemed to assist in getting messages out. He said it would be nice if every one of Escambia's schools could raise the funds necessary to purchase this type of sign because he believed that they would get so much more information out with the help of this type of sign.

E. Operations

-No items discussed

F. Student Transfers

-No items discussed

G. Internal Auditing

1. Inventory Adjustment Reports for eleven (11) cost centers

Mr. Bergosh said that he wanted to "manage up" those principals who had responded to their annual inventory reports with very nice letters to the Director of Internal Auditing regarding their missing items. Mr. Bergosh pointed out that Byrneville Charter School had quite a few missing items. It was noted however, that the missing items were all due to a theft from the facility which was beyond the school's control. He wanted to know why Byrneville had even been inventoried by the Internal Auditing department when it was a charter school with its own inventory that did not belong to the School District. Mr. David Bryant, Director of Internal Auditing, clarified that the Internal Auditing department was required to keep track of any of inventory that was purchased using School District funds.

2. 2011-2012 Summary of Internal Accounts Audit Finding Follow-Ups

Mrs. Hightower said she appreciated that the Internal Auditing department had put together this follow-up report. She wanted to know what would happen to those schools that had corrected any of the findings cited at their schools. The Superintendent said that level directors were directly involved in this process. He said that he personally, had met with the directors to discuss the schools that had not followed-up on their audit findings. The Superintendent said he meets monthly with the Director of Internal Auditing who keeps him up-to-date on this issue. He also said that principals were aware that this matter becomes an evaluation issue for them because he expects to see progress made and not the same errors, especially at the same magnitude. He said it was one thing to be getting better but it was unacceptable to stay the same when it was not sufficient. He said those conversations between himself and the directors had occurred since the Director of Internal Auditing issued this report. He said directors were sent to each school to express that directly from him. The Superintendent said that he would eventually "round" all of the schools mentioned in this report and they would hear directly from him that it was important that when they had an audit finding that they made every effort and put in every procedure they could think of to make sure that they were making progress. Mr. Bergosh said he had the opportunity to speak with the Director of Internal Auditing. He noted that one school in particular had the same issue that had now come up three or four times. He said he understood what the Superintendent had said about the deficiencies becoming a part of the principal's evaluation; however he wanted to know if there a more immediate action that could be taken with schools that had the same audit findings for several years in a row. The Superintendent reiterated the actions that he was taking with the schools that have not followed-up on their audit findings. He said that he was expecting to see progress but if not, his actions would become increasingly progressive.

V. UNFINISHED BUSINESS

-None

VI. NEW BUSINESS

A. Items from the Board

-No items submitted

- B. Items from the Superintendent
1. Student Recommendations

Mr. Bergosh noted the large number of drug offenses listed on this month's student expulsion list. In light of the conversation that occurred at the April 18, 2013 Special Workshop with regard to the civil citation program, he said his continuing concern was that was going to change the way things were handled at schools. The Superintendent reiterated that the civil citation program was a totally separate issue from school-level discipline procedures. He clarified that the civil citation program was a law enforcement action only and would have no effect on a school in terms of what the school would do for consequences of student misbehavior. Mr. Bergosh said he just wanted to be on record with his concern that a school might expel a student for a drug-related offense but yet he is not arrested by law enforcement but rather given a civil citation instead and then the parents take issue with the school for the expulsion by pointing out that even law enforcement did not consider the drug-related offense to be a "big deal" since the student was not arrested. The Superintendent noted that those types of situations occur now where the school recommends expulsion and yet law enforcement does not arrest. He clarified again, that law enforcement's decision to arrest or to not arrest would have no impact on a school's consequence for a drug-related offense on a school campus. He said that the School District "was not going to be tainted, blamed or credited" by what law enforcement chose to do, just as law enforcement "would not be tainted, blamed or credited" for what a school chose to do. The Superintendent reiterated that school actions were not changing as a result of the civil citation program. Mr. Bergosh said he wanted to be on record that he would never back away from zero tolerance for drugs on school campuses as drugs were something that would lead kids down the wrong path.

- VII. COMMITTEE/DEPARTMENTAL REPORTS (*Time Certain – 9:30 a.m.*)
1. Dixon School of the Arts Monthly Report
2. Newpoint Academy Monthly Report

These items were handled earlier in the meeting.

VIII. PUBLIC FORUM

Mr. Bergosh called for public forum; however, there were no speakers.

IX. ADJOURNMENT

There being no further business, the Regular Workshop was adjourned at 11:52 a.m.

Attest:

Approved:

Superintendent

Chair