

THE SCHOOL BOARD OF ALACHUA COUNTY, FLORIDA
APPROVED MINUTES OF REGULAR BOARD MEETING
September 2, 2003

The School Board of Alachua County, Florida, met in regular session duly called at 6 p.m. in the Boardroom, 620 East University Avenue, Gainesville, Florida. Present were: Jeannine M. Cawthon, chairman; Barbara J. Sharpe, vice-chairman; Virginia S. Childs, F. Wesley Eubank, and Tina Turner, members; Mary L. Chambers, superintendent; and James F. Lang, attorney for the Board.

The meeting was called to order by Chairman Cawthon, followed by the Pledge of Allegiance to the Flag.

APPROVAL OF
MINUTES

Motion by Mrs. Turner

Seconded by Mr. Eubank

Moved to approve the minutes of August 19, 2003, as corrected.

The question was called.

Upon Vote: Motion passed 5-0

ADOPTION OF AGENDA

Motion by Mrs. Sharpe

Seconded by Mrs. Childs

Moved to adopt the agenda for the meeting of September 2, 2003, as presented.

The question was called on the agenda as amended.

Upon Vote: Motion passed 5-0

BOARD MEMBER/
SUPERINTENDENT
ANNOUNCEMENTS

Mr. Eubank noted a correction made by the state on Prairie View Elementary School's grade, and he commended the principal, staff and students on going from a "D" to a "B" this year.

Dr. Chambers pointed out this month's character trait is "Respect." She commended the schools on the artwork displayed from Glen Springs and Wiles Elementary Schools, Sidney Lanier and Anchor Center, and Spring Hill Middle School.

RECOGNITION

Ms. Sara Hutchison and Ms. Dianne Hunter were selected as the School Bus Driver-of-the-Year and School Bus Attendant-of-the-Year, respectively, and were recognized for their support and dedication to the students and employees of the district.

CITIZEN INPUT

Teachers presented the following concerns/requests to the Board:

- Three new Board members were elected in 2002, and raising the salaries of teachers was a high priority; because of the constitutional amendment to reduce class size, the 2003 legislature

has given the district 4.87 million dollars to begin class size reduction and set a priority that any monies not needed to reduce class size be spent to raise teachers' salaries; feels all teachers would like to see campaign promises kept and legislative priorities followed.

- Requested the Board prevent further erosion of teachers' salaries; ensure step 6 schedule against inflation with cost of living adjustment based on consumer price index; honor commitment to reduce the top of the schedule one year per year, from 31 to 24 years; and grant transfer and recall rights.
- Expressed concern that she has not been impacted by class size reduction and her class is growing; feels the only way to get a raise is to move away from the classroom; feels a teacher's work is not monetarily valued.
- At the middle school level, they were led to believe should they go from the block scheduling to a six-period day they would see almost double the amount of students, have double the amount of contact with parents and would be saving money that would be left for teachers' salaries, and teachers were led to believe would be getting paid a reasonable amount and are now being told they will not.

The regular Board meeting was recessed and a Public Hearing convened.

PROPOSED NEW JOB DESCRIPTION AND REVISED JOB DESCRIPTIONS

A public hearing was held at 6:30 p.m. to consider a proposed new job description for the Safety Coordinator position and revised job descriptions for the positions of Payroll Manager, Construction Inspector for Safety, and the System Support Specialist Information Resources.

There was no public input.

The second reading for the job descriptions is scheduled for October 7, 2003.

PRESENTATION(S)/ REPORT(S)

The Public Hearing was adjourned and the regular board meeting reconvened.

Zoning Update: It was noted the zoning update is on the web site, and the timeline for new attendance zone line changes were presented (October 21, 2003, first reading; November 4, 2003, public hearing; and December 2, 2003, is the second and final reading).

Budgeting/Financial Update: The adoption of the millage and the budget is scheduled September 16, 2003. This year class size reduction

deals with districtwide averages and not classroom by classroom. The current enrollment figures were presented.

MASTER PLAN
PRESENTATION FOR
PROJECT SBAC A0032—
SHELL ELEMENTARY
SCHOOL MASTER PLAN

Mr. Mark Anderson, Florida Architects, presented the master plan, which is a five to ten-year long range look at the facilities at Shell Elementary School.

Motion by Mrs. Sharpe

Seconded by Mrs. Turner

Moved the administration's recommendation to approve the master plan prepared by Florida Architects, Orlando, Florida, for Shell Elementary School as presented.

The question was called.

Upon Vote: Motion passed 5-0

BID AWARD FOR
PROJECT SBAC B0046—
HAWTHORNE AND
NEWBERRY HGIH
SCHOOLS GYMNASIUM
AIR CONDITIONING

Bids for the construction of this project were received August 26, 2003.

Motion by Mr. Eubank

Seconded by Ms. Turner

Moved the administration's recommendation to accept the low base bid of \$335,320 and Additive Alternate No. 1 in the amount of \$4,660 and award a contract for construction totaling \$339,980 to Shine Company, Inc., High Springs, Florida. Completion of this project shall be within one hundred fifty (150) consecutive calendar days from the date indicated in the "Notice to Proceed."

The question was called.

Upon Vote: Motion passed 5-0

AUTHORIZATION TO
PROCEED WITH THE
PROCESS FOR
ISSUANCE OF
CERTIFICATES OF
PARTICIPATION

Staff provided a proposed project priority list for the 2003-04 Certificates of Participation totaling \$29,500,000.

Motion by Mr. Eubank

Seconded by Mrs. Sharpe

Moved to approve authorization to proceed with the process for issuance of Certificates of Participation.

Mr. Eubank expressed concern that the district may be under building on Chiles Elementary School by going with four classrooms, which will put it at the lowest capacity in one of the highest growth areas, and he feels the school should be closer to the Hidden Oak capacity. He understands the need for science classrooms at Buchholz High School, but with a new Catholic high school next year and rezoning, the district is looking at declining enrollment at the high school level. Look at the science issue but not put more money into it. He suggested selecting projects at the top of the list at this time and come back in a year or two when the district might have an opportunity to possibly bring its rating back up to address additional projects.

Mrs. Childs agrees with doing more for Chiles Elementary and maybe holding Buchholz High in abeyance at this time.

Mr. Gable clarified that the Hawthorne middle classroom proposal would be reviewing the middle school site of that campus--with all the portables and four buildings there in need of repair, do we start over and replace with a new building or put money into renovation of existing buildings or do we leave portables there--it did not anticipate any student movement. He explained the thought was do some additional designing and engineering and come back to the Board with the most economical way to meet the student needs.

Mr. Birkett explained that the Board policy states at least 4% of the expenditure fund balance should be maintained as a contingency fund, which should be around \$6.4 million as recommended by BEST Practices. The district is around 1%.

Mrs. Turner supports the Horizon Center at the top of the project priority list.

The process/timeline for the selling of the Certificates of Participation and beginning construction was discussed. Once the district has an approved project list, it will take about four to six weeks to go to sell. The four elementary schools are based on the same prototype plan and a reuse of the same prototype for the additions is anticipated. It would be about two years before occupancy.

The question was called.

Upon Vote: Motion passed 5-0

AWARD OF CONTRACT
FOR THE DISTRICT'S
ANNUAL FINANCIAL
AND INTERNAL
ACCOUNTS AUDIT

In accordance with F.S. 218.391, the Auditor Selection Committee received and evaluated proposals from perspective firms certified to practice public accounting in the state of Florida. Firms were evaluated solely on their qualifications to perform the services, such qualifications being measured in terms of past experience, staff expertise, approach to audit and other factors. Firms were then ranked in descending order of preference with the top ranked firm deemed the most highly qualified to perform the services. Final ranking was established only after all proposals had been evaluated and the firms had made formal presentations before the audit selection committee.

Recognizing that the district's financial credibility is in part a reflection of the strength of the firm conducting the audit, the committee unanimously ranked Ernst and Young as the most qualified of the seven proposing firms.

State statute requires that fee negotiations be conducted with the top ranked firm. If negotiations with that firm were unsuccessful, they are terminated and discussions with the next firm regarding fee are opened. This process continues until a satisfactory agreement is established, or the district cancels the RFP. The committee is not permitted to negotiate with more than one firm at a time. Ernst and Young's total proposed fee of \$142,000 reflects a 5% increase over the current budget of \$135,000.

Motion by Mr. Eubank

Seconded by Mrs. Turner

Moved the administration's recommendation to award a contract to Ernst and Young based on the negotiated fee of \$142,000 to provide external independent auditing services in accordance with RFP 04-01.

Mrs. Sharpe expressed concern that the total fee is reflecting a 5% increase over the current budget. Also, when hiring firms for the district, and there were firms that were close runners-up, there is a need to take a closer look at the local firms, because they help with the Required Local Effort, and dollars spent here will be recreated eight to ten times, and they are business partners.

Mr. Eubank pointed out that location was considered and more points were awarded for those firms that were local, but just because a firm is local does not necessarily mean that the people working on the audit are local. The dilemma is that once the committee did the preliminary evaluation and the ranking, Ernst and Young was number one, and statute says the firm ranked first may then negotiate a contract. This is the first time the district ever had an audit that included internal accounts, so the budget was an estimate and there could be variations.

Mrs. Turner feels strongly that the district should give its business to a local company if that company can do the job, and the company that ranked second has done this for the past five years.

Responding to Mrs. Childs, Mr. Hackett indicated that each firm gave a complete proposal, which was to reflect their qualifications to perform the services requested, but none of those proposals addressed dollar amounts. In terms of the point ratio, experience and qualifications of the firm was 35 points, which included experience auditing school boards and other municipalities; experience and qualifications of personnel was 35 points; approach to the audit wherein they described how they would actually conduct the audit once they came onto the district site was 20 points; whether or not they were a certified woman-owned or minority business enterprise was worth 10 points.

Mrs. Childs expressed concern with the internal accounts being farmed out by the firm to a subcontractor. She feels there is a strong benefit for the principal and bookkeeper to know the person doing the audit and prefers not going to the subcontractor. She also believes it is important to make sure that we pay attention to the local people; keeping the money in town going right back into the coffers, which goes right back into the tax base, which comes right back to us and we reallocate it and spend it another way. She would have felt very comfortable with the reputation of the three local firms that responded to the RFP. She is also concerned that the fee is over the allocation budgeted. Although she appreciates the efforts of the committee, the point scale used and the process followed, for the reasons listed, she is not going to be able to support this recommendation.

Mr. Eubank responded that the committee did favor local companies. Two out of 12 questions of those 35 points had to do with location of the firm. And the concern about the internal auditor, one of the things stressed was the need to build a relationship, which was highly rated.

He pointed out under 218.391(3)(i) of the state statutes, the firm ranked first may then negotiate a contract with the Board giving among other things the basis of those fees for that engagement. If the Board is unable to negotiate a satisfactory contract with the first ranked firm, negotiations with that firm shall be formally terminated and the Board shall then undertake negotiations with the second ranked firm. His concern is we have now lost any capability to truly negotiate since the firms know what their price has to be.

Mrs. Sharpe again pointed out that she has always wanted to give the local people the benefit of the doubt. She did not say that Ernst and Young would not do a good job, but stands by her comments previously stated.

Chairman Cawthon clarified that if the Board felt like the fee was still too high, since it was over the budget estimate, it could go back to Ernst and Young and renegotiate, and if they elected not to drop the price that much, then the Board would move to number two.

The Board took a brief recess for the attorneys to confer and reconvened.

Mr. Jim Robinson, staff attorney, stated that the process appears to Attorney Jim Lang and himself as having proceeded strictly in accordance with the statute and, therefore, any action that is taken as a Board should itself be in accordance with the statute. The result would suggest Ernst and Young. The administration would like to make a

revised recommendation that the Board approve Ernst and Young conditioned upon staff negotiating a contract price at the budget amount of \$135,000.

Mr. Eubank moved to amend the original motion and to approve Ernst and Young contingent upon staff negotiating a contract in the amount of \$135,000.

Chairman Cawthon passed the gavel to Mrs. Turner and seconded the motion

Responding to Mrs. Childs, Mr. Robinson stated that counsel searched for some basis upon which the Board could go with a second vendor, and it appears that the locality of the vendor was taken into account. An obvious reason to reject this negotiated arrangement with Ernst and Young would be that it is over budget.

Mr. Chris Ott, citizen, expressed it might be an advantage to the district that Ernst and Young was going to be able to provide some sort of comparison with benchmarks to other districts.

Staff clarified that in this particular process, the committee was selecting firms in rank order based on qualifications and it really wasn't a bidding process. Once the rank order is placed, then negotiations for their services are taking place. As per the state statute, there are criteria that you use and not the monetary value.

Mr. Harold Monk of Davis & Monk expressed his philosophy that organizations, and governments especially, should utilize the talents of local people when able to get the quality of service deserved, and he was impressed that where Ernest and Young got 78.5 points in the process, James Moore & Co. got 78 points. To come within a half a point of an international presence firm, says something very positive. He pointed out that there are really two contracts, one with Ernst and Young and then one with a subcontractor that will be doing the internal account audits. His understanding is that there was not a separate evaluation done comparing experience and expertise in doing internal account audits among all the firms.

Mr. Kurt Green, partner with James Moore & Company, thanked the Board for the opportunity to do the audit for the last five years. He pointed out that the selection committee, is just that, someone to rank the firms. It is the Board's job to vote as to which firm it wants to do the audit. Organizations often go to the second or third ranked firm for the job. He wanted the Board to be aware that it is a fairly standard matter and not be concerned that you may be getting sued if you go to

negotiate with the second ranked firm.

Mr. Robinson stated that the risk of voting no and going to the second or third ranked firm is that Ernst and Young would have cause of action against us, arguing that it had gone through the process and followed the statute in all respects and should have been awarded the contract.

Mr. Eubank moved to amend the amendment to send this issue back to the committee, less this one member, to look at breaking the award up into two pieces and reevaluate all of the firms on the two separate categories—the single audit and the internal audit—and then come back to this Board with a recommendation.

The motion fails for lack of a second.

Mrs. Sharpe pointed out a recommendation has been made. The compelling issue is that it was 5% over budget, which means we would have to go back and amend the budget. And she does not believe the law will make her vote for something she doesn't think is right.

The roll call vote was called on the amendment.

<u>Upon Vote:</u> Motion failed 4-1	
Mrs. Childs	No
Mr. Eubank	Yes
Mrs. Cawthon	No
Mrs. Sharpe	No
Mrs. Turner	No

The roll call vote was called on the original motion.

<u>Upon Vote:</u> Motion failed 5-0	
Mrs. Childs	No
Mr. Eubank	No
Mrs. Cawthon	No
Mrs. Sharpe	No
Mrs. Turner	No

Mrs. Turner returned the gavel back to Mrs. Cawthon.

CONSENT AGENDA

Motion by Mr. Eubank

Seconded by Mrs. Childs

Moved to approve the consent agenda as described in items 1-6. (See Supplementary Minutes Book.)

The question was called.

Upon Vote: Motion passed 5-0

DISCUSSION ITEM(S)

Zoning Workshop Update

Staff provided an update that included steps staff will follow in developing zoning proposals.

Budgeting and Spending Authorization

Staff briefly reviewed guidelines/procedures as set forth in the Florida Statutes, State Board of Education Rules and Board policy for budgeting, expenditures, budget amendments, and purchasing thresholds.

Mrs. Childs feels during a severe budget crunch, to have people that can authorize as much as \$25,000 that the Board doesn't know about until after the fact is not as responsible as we should be at this point in time. She would like for that amount to be lowered and before an expenditure can be made, it has to come to the Board so that the Board will consciously know that is how the money is being spent.

She wants to make sure that decisions that staff and employees are making are congruent with the priorities that the Board has set. They need to be able to be aware of and oversee the expenditures. Be able to look at things before the money is spent and say yes that's congruent with what we want to have happen and fits our priorities. She is adamant that we need to be responsible for our spending.

Mr. Tougaw pointed out that the Board would need to change the policy.

Mr. Eubank would propose to not lower the radar but make it more public what the decisions are--do the same thing we do on the consultants. Place on a sheet anything that is at or over the 50% level, which is \$12,500-\$25,000 and adding one line on a Board agenda so that the Board is informed. He stressed that it is not anything the Board will vote on and should not require a change in policy.

Mrs. Childs pointed out that she is not talking about bid items and to separate the bid threshold and consent threshold.

CITIZEN INPUT(cont'd)

An ACEA representative questioned how you approve the budget when negotiations of salaries for employees are not finished and you don't know how much to allocate for the biggest budget item.

Superintendent Chambers stated that, normally, the budget would be set up with a determined amount by the Board, place it in a line item as reserve or else in the salary account so that it is budgeted right up front.

The Board has the authority to amend its budget, and there is a dollar amount budgeted and the Board can deviate from that as it sees fit.

BOARD MEMBER/
SUPERINTENDENT
REQUESTS

Mrs. Turner commented as a teacher she is highly troubled by negative comments addressed towards this Board in regards to its priorities with regard to salaries. She thanked ACEA members for constantly reminding her about her priorities during the campaign and even though that was a very difficult process, she doesn't think she has any trouble remembering what it was she promised she would do. Regardless of what was stated earlier, she must stand up for this Board and its effort. Things take time to change, a great deal of time. Things don't happen as quickly as you can make it happen in the classroom. Taking care of each employee financially is a personal priority for her as a board member. It is her sincere hope that teachers, bus drivers, aides, cafeteria workers, secretaries, everyone will see that dedication in their check books one day very soon. We saw earlier this evening that when the Board meetings were not televised it was under the assumption that we as a Board had in some way something to do with it to alienate those tuned in for the Board meeting. As we move forward, what is going to be important is that the parties on both sides trust each other or at least work to build a sense of trust because we all are on the same side, working for the benefit of our children.

Superintendent Chambers suggested Board members edit the survey Dr. Kendall has drafted. Also, Mrs. Hollinger is working on a survey for magnets through the ACCPTA, SACs, and the school level to make sure that they go out and are returned.

She reminded the Board members that her contract expires within the year, and she asked that they think about how they want to proceed with that.

ADJOURNMENT

The meeting was adjourned at 9:18 p.m.