

SCHOOL BOARD WORKSHOP

GADSDEN COUNTY SCHOOL BOARD
MAX D. WALKER ADMINISTRATION BUILDING
35 MARTIN LUTHER KING, JR. BLVD.
QUINCY, FLORIDA

May 27, 2014

4:30 P.M.

This workshop was open to the public and electronically recorded.

The following Board members were present: Mr. Roger P. Milton, Chairman; Ms. Audrey D. Lewis; Mr. Charlie D. Frost; Mr. Judge B. Helms; and Mr. Isaac Simmons. Also present were Mr. Reginald C. James, Superintendent and Secretary to the Board; Mrs. Deborah Minnis, Attorney for the Board; and others.

1. Call to Order

The workshop was called to order by the Chairman, Mr. Roger P. Milton, at 4:35 p.m.

2. Financial Data Report

3. Discussion Items

- a. List of contractors and notification to Board regarding vendors with total payments greater than \$15,000 and other payment issues.
- b. Notification to the Schools regarding a Vendor Fraud Alert and our counter actions (filed police reports, returned merchandise; discussed instances with the sheriff to connect the reports, cease and desist notification sent to vendor's address; and filed complaint with the Better Business Bureau in the vendor's town.)
- c. FDOE has provided the Educational Funding Accountability Act Report, in accordance with Section 1010.215 (6), Florida Statutes. We have reviewed the Gadsden county portion of this report and posted on our portion of our website homepage entitled "School Financial Report" 2012-13. The financial information comes from the data transmitted by the districts in the 2012-13 program cost report.
- d. The Florida School District transportation report that was released in 2014 for the 2012-13 school year provided an excerpt that shows the annualized operating expenditures per student and the average costs per mile. Per the funding summary, the District's total transportation expenses in 2012-13 were \$3,984,516 and the State's allocation to fund transportation totaled \$1,609,701.
- e. Information – copy of the police report for 5 stolen batteries from the bus depot. Suggest that we consider budgeting for purchasing camera surveillance in the next fiscal period to deter future thefts and safeguard the District's assets.
- f. FDOE's follow up on AG audit findings in audit report No. 2014-171 to assist with their determination of the questioned costs status.

- g. Adult Education and IT staff attended the data collection and reporting training that FDOE offered on May 20, 2014.
- h. Security officer services were last bid by the District on August 11, 2010. We entered into a contract commencing on August 23, 2010 through June 30, 2013, with annual extensions for two additional years. The contract was extended for the 2013 – 2014 fiscal year. We have compared the contractor's bid rate to the current State of Florida contract rates, and the current contractor's rates are cheaper. The District may want to consider exercising the last annual extension to save on the rate. The District spent YTP as of 5/19/14 \$162,656.36 on these services. During the budget discussion, we may want to determine whether some of the requests for these types of services can be scaled back to reduce these type of expenses.
- i. Utility expenses paid to date for natural gas, bottled gas, electricity, heating oil, and other public utility services (such as trash collections). The average was determined for the 10.5 months in the fiscal year.
- j. Whole life insurance and 401(k) retirement product – the insurance committee approved these new products on May 14, 2014 for submission to the School Board for approval. Both of these products are with vendors who currently do business with the District. Both products are a no cost to the Board and are benefits that employees can select and pay for themselves. The whole life insurance guarantee issue for the first year and the current 403(b) vendor wants to offer an additional tax sheltered annuity to employees.

Mrs. Amy Howell stated that district employees would have the opportunity for guaranteed whole life insurance. She stated that there will be a waiver for pre-existing conditions.

Board members agreed to further discuss with the attorney the whole life insurance and 401(k) retirement product.

Ms. Kate Clark, Independent Financial Adviser, addressed the Board to offer a new 403(b) product (ASpire) to employees for investing funds.

- k. Other – agenda items:
 - i. Agenda item - Insurance Renewals Florida Municipal Insurance Trust (FMIT) for workman's compensation and general liability – request approval of application for renewal for the 2014–15 fiscal years.

FMIT is a large construction type agency. Our membership allows this entity to spread the risk pool to minimize the risk to its members to facilitate keeping rates low and reinvest the surplus back into the reinsurance program. FMIT currently handles outstanding claims and settlement issues for us.

We do not anticipate any significant increase to the renewal rates for 2014 – 2015, which we will bring the 2014 – 15 estimates back to the Board for approval when we issue the blanket PO to encumber funds for the 2014-15 fiscal year. As a point of reference the 2013–14 FY premiums were: General Liability \$189,312.00; Property \$339,458.00; and Worker's Compensation \$383,063.00 (which includes a \$66,523.00 incentive credit). The FMIT auto is a separate application/policy with separate premium amounts.

Mrs. Ferree stated that Board approval was needed for the approval of the application to renew the Florida Municipal Insurance Trust (FMIT) and the Florida League of Cities sponsored insurance program for Worker's Compensation and General Liability, which includes the application for Drug-Free Workplace and Safety Program premium credits. She stated that pending renewal rates after the application has been processed by FMIT; it will be brought back to the Board for approval when the 2014 – 15 purchase order has been issued to encumber the funds

- ii. Agenda item – Budget Amendment Number Twelve (Federal Funds).

Mrs. Ferree stated that budget amendment number twelve increases the budget for Head Start and establishes budget for ACA Grant for School-Based Health Centers. She stated that this budget amendment also moves funds by function and object as allowable under FDOE Green Book to reflect expenditures and zeroes out ending balances on projects that have closed.

- iii. Agenda item – Board approval of the updated proposal for rate increases for school bus usage. As an illustration, using the field/activity trip miles in the 2012–13 transportation report of 96,810 the present field trip rate per mile of \$1.50 would generate a potential revenue stream of \$145,215. The proposed rate increase of \$2.50 would generate a potential revenue stream of \$242,025.

Ms. Ferree stated that the updated proposal for rate increases for school bus usage will increase per mile and driver's rate for the cost of field trips; outside vendor usage; and 21st Century and Communities In Schools reimbursement rates. She suggested the Board consider approving a mandatory prepayment requirement for the bus usage prior to the field trip. She stated that the actual time the driver's are needed should be reasonably estimated and any additional charge incurred would be subsequently billed as an accounts receivable to the school's internal account, the outside vendor, or the grant program.

- iv. Agenda item – Charter School Capital Outlay Plans are required to be submitted to FDOE by May 15, 2014. The Sponsoring District must review and recommend the plan by June 13, 2014. Our review of the FDOE capital plans submitted indicating that only Crossroad Academy Charter School had submitted a 2014 Capital Outlay Plan. After the Board approves the submitted plan attached to the agenda item, we can complete the district review that is due to FDOE by June 13, 2014.

Mrs. Ferree stated that only Crossroad Academy Charter School submitted a 2014 Capital Outlay Plan. She stated that the new charter school, Galloway Academy Charter School, did not have a 2014 Capital Outlay Plan.

- v. Agenda item – Crossroad Academy Third Quarter Financial Reports Monitoring Review

Mrs. Ferree stated that the district was in receipt of the Crossroad Academy Charter School's Third Quarter Financial Statements and the Board's monitoring review of the Charter School's fiscal position.

- vi. Agenda item – School Food Service Membership in POWER Buying Group

Mrs. Ferree stated that the POWER Buying Membership is a continued membership by the School Food Service Program. She stated that the mission of the POWER Buying Group is to cooperatively procure high quality, competitively priced foods and supplies that will enhance the health and nutritional well-being of students participating in the Florida Child Nutrition Program and to enhance learning in member school district. She stated that this membership request is for the 2014–2015 fiscal year.

1. Update from Facilities – Wayne Shepard

- i. Agenda item – Emergency repairs for East Gadsden High School HVAC unit. Vendor has been paid more than \$15,000 during the fiscal year.

Mr. Shepard stated that emergency repairs were needed to the HVAC unit in building 100 at East Gadsden High School.

- ii. Agenda item – summer cleaning supplies. Vendor has been paid more than \$15,000 during the fiscal year.

Mr. Shepard stated that Board approval was needed to purchase summer cleaning supplies and perform the cleaning while schools are out of session.

- iii. Other

Mr. Shepard stated that the Havana Middle School Project was going very well. He invited the Board to take a trip to view the Havana Middle School project. He stated that the HRSA Grant was progressing.

Mr. James stated that the high school graduations went very well.

4. School Board Requests and Concerns

None.

5. The workshop adjourned at 5:55 p.m.