

## **REGULAR MEETING - FEBRUARY 14, 2000**

The Invocation was offered by Mr. Hill; the Pledge of Allegiance was led by Mr. Taylor.

The School Board of Okaloosa County met in Regular Session on February 14, 2000, in the Okaloosa County Courthouse, Crestview, Florida.

**PRESENT:** Rodney Walker, Chairman  
Cindy Frakes, Vice-Chairman  
Don Gaetz  
Howard Hill  
Lloyd Taylor

Emmett Windham, Assistant Superintendent  
C. Jeffrey McInnis, Esq., Attorney to the Board

The Chairman called the meeting to order at 6:00 p.m. and welcomed visitors and presenters.

### **APPROVAL OF AGENDA:**

The Chairman approved the request of Mr. Gaetz to delete Discussion item #3 for further discussion with the Superintendent. Also approved by the Chairman was the request of Mr. McInnis to move Consent item #20E to the Discussion Agenda because the referenced employee submitted a request to address the Board. All other changes to the Agenda were approved at the Workshop.

Motion to approve the Agenda as amended was made by Mr. Hill, seconded by Mr. Taylor and carried unanimously:

Consent Agenda (C.A.): Item #3 was moved to D.A. #5; item #20E was moved to D.A. #6

Discussion Agenda (D.A.): Item #3 was deleted; added as item #4, Superintendent's Business #6; added as item #5, C.A. #3; added as item #6; C.A. item #20E

Superintendent's Business: Item #6 was moved to D.A. #4

### **VISITORS:**

1. Latasha Matthews, a Crestview High School student, was recognized as the recipient of The Florida Prepaid College Foundation Scholarship.
2. Bill Robinson, Executive Director of United Way of Okaloosa and Walton Counties, presented a plaque to the District in recognition of an outstanding United Way campaign for 1999. Employees of the District contributed almost \$70,000 to the United Way.

### **PUBLIC DISCUSSION:**

1. Jimmy Campbell, representing the Shalimar Athletic Association, gave a progress report on the Sports Complex being constructed behind Shalimar Elementary School.

### **PERSONNEL APPOINTMENTS:**

1. The Superintendent's recommendation for the appointment of Karen D'Avignon to the position of Florida Inclusion Network Project Facilitator was approved on a motion by Mr. Gaetz, seconded by Mr. Hill and carried unanimously (Exhibit 00-68).

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2. The Superintendent's recommendation for the appointment of Debra Boutwell to the position of Assistant Principal/Curriculum and Students at Fort Walton Beach High School was unanimously approved on a motion by Mr. Hill and seconded by Mr. Taylor (Exhibit 00-69).

### **COMMITTEE AND STAFF REPORTS (Workshop Only):**

1. Facilities Construction Update, presented by Bill Smith

### **CONSENT AGENDA:**

Motion to approve the Consent Agenda as amended was made by Mr. Hill, seconded by Mrs. Frakes and carried unanimously:

1. Minutes of Judicial Center Joint Meeting of January 18, 2000; Minutes of Workshop Meeting of January 24, 2000; Minutes of Regular Meeting of January 24, 2000; and Minutes of Special Meeting of 31 January 2000, recommended by the Superintendent for approval.
2. Budget Amendment #4, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-70).
3. Moved to Discussion Agenda #5 - Monthly Financial Reports for January 2000, presented by Gary Scott and recommended by the Superintendent for approval.
4. Payment of Invoices dated February 14, 2000, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-71).
5. Warrants in the amount of \$46,631,728.71, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-72).
6. Request to write off \$3385.29 in worthless checks through December 31, 1999, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-73).
7. Acceptance of donation to the Choctawhatchee IB Program in the amount of \$700.00 from the International Baccalaureate Foundation of Choctawhatchee High School, Inc., presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-74).
8. Acceptance of donation to the Choctawhatchee Staff Appreciation Fund to be used to honor the school's Teacher of the Year in the amount of \$1000 and the Non-Instructional Employee of the Year in the amount of \$500, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-75).
9. Acceptance of donation to the Choctawhatchee Baseball Team in the amount of \$3000 from The Choctaw Dugout Club, Inc., presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-76).
10. Surplus Property List #00-16, Computer to be cannibalized for parts, OATC, presented by Gary Scott and recommended by the Superintendent for approval (Exhibit 00-77).
11. Surplus Property List #00-5, items to be sold to the public, presented by Bill Smith and recommended by the Superintendent for approval (Exhibit 00-78).

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12. Self-help Project for installation of playground equipment at Wright Elementary School, presented by Bill Smith and recommended by the Superintendent for approval (Exhibit 00-79).
13. Volunteer List, compiled by Gayle Grimes and recommended by the Superintendent for approval (Exhibit 00-80).
14. Okaloosa Y2K - Yes to Kids Interagency Partnership Agreement between the School Board of Okaloosa County and Big Brothers Big Sisters of Northwest Florida, recommended by the Superintendent for approval (Exhibit 00-81).
15. Okaloosa Kids With Character Interagency Partnership Agreement between the School Board of Okaloosa County and Big Brothers Big Sisters of Northwest Florida, recommended by the Superintendent for approval (Exhibit 00-82).
16. Southside Elementary School Childcare Program, presented by Donna Erdman and recommended by the Superintendent for approval (Exhibit 00-83).
17. Agreement between the School Board of Okaloosa County and Fort Walton Beach Bowl to provide training to ESE students participating in the School-to-Work Program, presented by Liz Cavanah and recommended by the Superintendent for approval (Exhibit 00-84).
18. Agreement between the School Board of Okaloosa County and Graffiti (Destin) to provide training to ESE students participating in the School-to-Work Program, presented by Liz Cavanah and recommended by the Superintendent for approval (Exhibit 00-85).
19. Application for Challenge Grant for the Gifted, presented by Joe Ann Tabor and recommended by the Superintendent for approval (Exhibit 00-86).
20. Personnel Recommendations, presented by Becky Spence and recommended by the Superintendent for approval:
  - A. New Hire Report (Exhibit 00-87)
  - B. Leave Requests (Exhibit 00-88)
  - C. Transfer Report (Exhibit 00-89)
  - D. Termination of Employee #266-55-0399 (Exhibit 00-90)
  - E. Moved to Discussion Agenda #6 - Termination of Employee #262-31-9586
21. Employment Separations, presented by Becky Spence and recommended by the Superintendent for approval (Exhibit 00-91).
22. Reinstatement of Sick Leave due to line-of-duty illness/injury/medical examination, presented by Becky Spence and recommended by the Superintendent for approval (Exhibit 00-92):
  - A. Gaylene Atwell, Crestview High School, 10 hrs.
  - B. James Griffith, Transportation, 10 days
  - C. Annette Rose Morgan, Crestview High School, 6 days
  - D. Linda Ward, Ruckel Middle School, 4 days
  - E. Jerrel Sanders, Valparaiso Elementary School, 3.75 days
23. Request to advertise for adoption of new School Board Policy 2-19 GRANTS: APPLICATION AND LOCAL APPROVAL PROCESS, presented by Cindy Frakes and recommended by the Superintendent for approval (Exhibit 00-93).
24. Zoning Waivers, presented by Emmett Windham and recommended by the Superintendent for approval (Exhibit 00-94).

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25. Bids and Purchasing, presented by Rick Norris and recommended by the Superintendent for approval (Exhibit 00-95; see bid file for additional information):

- (1) Renewal of Bid #97-B46 Gasoline & Diesel Fuel awarded to Mansfield Oil Company, 4<sup>th</sup> year of contract, same terms and conditions
- (2) Renewal of Bid #98-B38 Services & Repairs for Fire Extinguishers awarded to B & C Fire Safety, 3<sup>rd</sup> year of contract, same terms and conditions
- (3) Renewal of Bid #00-B50 Magazines for School Year 2000-2001 awarded to W. T. Cox Subscription at 21% discount off catalog price, 2<sup>nd</sup> year of contract, same terms and conditions
- (4) Renewal of Bid #99-B33 Water Treatment for Hydronic Systems awarded to Gulf Engineering Company, Inc., in the amount of \$22,825.50, 2<sup>nd</sup> year of contract, same terms and conditions
- (5) Joint Bid #00-10-03 Catalog Discounts on Art Supplies, Office Supplies, School Supplies, Science Supplies, and Sporting Goods (Joint Bid of Bay, Okaloosa, Santa Rosa and Escambia Counties) awarded to:

Office Supplies: Gulf Coast Office Supplies, U. S. Office Products, Boise Cascade Office Products, Ernie Morris Enterprises, Inc., School Specialties/Beckley Cardy

School Supplies: School Specialties/Beckley Cardy, The Learning Shoppe, Hammett's Learning World, Reprint Classroom Direct, Highsmith, Inc.

Art Supplies: School Specialties/Beckley Cardy, Reprint Classroom Direct, Hammett's Learning World, Nasco, Dick Blick Company

Science Supplies: Southern Scientific, Inc., Sargent-Welch, Nasco, Science Kit, Inc., Frey Scientific

Sporting Goods Vendors: Gregg-United Sports, Inc., School Specialties/Beckley Cardy, U. S. Games, BSN Sports, Zipp Sporting Goods

- (6) The Wright Group, Sole Source, for purchase of Breakthrough to Literacy in the amount of \$50,000 for Antioch Elementary School
- (7) New Century Education Corporation, Sole Source, for purchase of New Century Courseware in the amount of \$43,975.00 for Fort Walton Beach High School

### DISCUSSION AGENDA:

1. Change in Membership of 1999-2000 School Advisory Council at Combs-New Heights Elementary School was approved on a motion by Mr. Hill, seconded by Mrs. Frakes and carried unanimously.
3. Deleted at the request of Mr. Gaetz - Review Criteria for School-Within-A-School Proposals

Mr. Gaetz left the room at 6:23 p.m.

4. Motion was made by Mr. Hill to proceed with the application process for the State K-3 Class Size Reduction Funding for Northwood Elementary. The motion was seconded by Mr. Taylor and carried 4-0, Mr. Gaetz not present (Exhibit 00-96).

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Mr. Gaetz returned to the room at 6:26 p.m.

6. Mr. McInnis stated that the Superintendent's recommendation for termination of employee #262-31-9586 was before the Board for consideration and that the employee was present to address the Board. He clarified that the matter was not being presented as a hearing. If the Board accepts the Superintendent's recommendation, the employee will be given, in accordance with the Administrative Procedures Act, notice of his right for an administrative hearing in which testimony will be taken and witnesses can be presented.

The Chairman recognized Rickey Henderson, who requested to address the Board regarding the recommendation for his termination. Mr. Henderson stated that he received notice of termination for misconduct on the job and admitted to the use of poor judgement in relation to this matter. He informed the Board that he has offered an apology to all individuals concerned in this matter and that he is receiving counseling through the Employee Assistance Program. He requested the Board not approve the termination and allow him to return to his current employment position.

Mr. McInnis stated that the action before the Board at this meeting was consideration of the Superintendent's recommendation based on the available information and evidence providing sufficient cause for termination. If the recommendation is approved, the employee will have 21 days to seek a formal administrative hearing at which time the matter will be heard through another entity.

Mr. Hill, Mr. Gaetz, and Mr. Walker stated their appreciation of the employee's contrition and expression of regret; however, they would have to support the Superintendent's recommendation.

Motion to approve the Superintendent's recommendation for termination of employee #262-31-9586 was made by Mr. Hill, seconded by Mr. Gaetz and carried unanimously (Exhibit 00-97).

- 2 & 5. The Monthly Financial Report for December 1999 was removed from the table on a motion by Mr. Taylor, seconded by Mr. Hill and carried unanimously.

Motion to approve the Monthly Financial Reports for December 1999 was made by Mr. Taylor and seconded by Mr. Hill for discussion.

Referencing both the December and January Financial Reports, Mr. Gaetz stated that voting to accept these financial statements means that the Board has voted defacto to approve the transfer of almost \$900,000 from schools to the district office. The origin of the problem appears to be the loss of FTE and an increase in the district office budget resulting in \$885,000 being cut from the operating budgets of the schools by the Superintendent.

Mr. Walker stated that in actuality the cut was originally taken from the District's Reserve. He advised Mr. Scott to discuss not taking the funds from Reserve with the Superintendent. In previous years, the schools were not allocated the full FTE amount until after the Third FEFP Calculation. Since the funds had been allocated, the loss in revenue had to be retrieved from the schools. To leave the funds at the schools would have resulted in a million dollar shortfall. But, a decision has to be made by the Board on whether it wants to continue to maintain small schools. He stated that he would accept some responsibility in taking the money from the schools and that he believes it was a prudent action under the circumstances.

Mr. Gaetz stated that he believes the original mistake was made in the initial budget allocations. The schools have now committed to programs based on the funding they received and now some of the money is being taken which will not allow them

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to go forward with their plans. Referencing the memo from the Superintendent to the principals depicting the budget cuts, he stated that the reductions do not indicate that this is a big school/small school funding issue. He used Northwood and Southside for a general comparison to show what he believes to be discrepancies in the reduction formula.

At the request of the Chairman, Mr. Scott explained the net budget adjustments which included the FTE adjustment based on the funding formula and the previous discretionary budget adjustments.

Mr. Gaetz stated that the cuts were not based solely on the FTE losses but were made in part on the basis of school carryover funds which penalizes efficiency. Discussion followed regarding the reasons for and use of school carryover funds.

Mr. Gaetz stated that if mistakes are made and when cuts have to be made, the burden should be shared by the schools and the district office. The Superintendent has indicated that he thinks it is prudent to maintain a District Reserve balance between \$2 million and \$3million. With the current Reserve balance of approximately \$2.4 million, he recommended \$400,000 be taken from Reserve leaving the Fund Balance at the bottom end. Secondly, he recommended a proportional decrease in district office spending. Then, the Board will need to make proportion decreases at the schools without penalizing the efficiency of some schools.

Mr. Walker stated that the Board still has to decide what to do with the \$243,000 in uncollectible funds spent by six schools. If they are forgiven the debt and the funds taken from Reserve, then the district will have recurring expenses paid from non-recurring revenue. If you take the amount from their budget, it could mean losing a teaching position(s) at the school.

Mr. Gaetz stated that he would like to take that as a separate issue from the budget cuts because he does not agree with the Superintendent's recommendation to forgive the \$243,000 that has been overspent by six schools. It is his position that these schools should have to reduce spending and do a work-out plan to repay the debt.

Mr. Walker stated that the district has to deal with the \$243,000 and the only way he could support the recommendation for the \$400,000 to come from the Fund Balance, which is non-recurring funds, is with the caveat that these budgets will have to be balanced next year because the district cannot continue to pay recurring expenses from non-recurring funds. Additionally, the district will have to revisit its philosophy on keeping small schools.

Mr. Gaetz stated that he believes there is a category of expenses within the \$400,000 that can be paid out of the Fund Balance that are non-recurring. The remaining expenses can be paid through budget cuts at the district and schools.

Mr. Hill stated that he understands that due to a change in methodology all the funds were allocated to the schools and now have to be retrieved. However, in reference to the district office, 30% of the carryover funds from the district department budgets has been taken as well as a 30% reduction in this year's budget. Some of the district administrators had the same concept as the schools in that they were gathering money for certain projects.

Mr. Walker recognized the following members of the public to address the budget issue: Charles Williams, Alice Lawson, Robert McEachern, Adam Cohn, Michele Noach, Brittany McClamma, and Stephanie McClamma. Each person expressed

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concern with the cuts to the Bluewater Elementary School budget and the impact of the cuts to programs and staff.

The Chairman asked the pleasure of the Board in taking action on this matter at this meeting or delaying any action until the Superintendent was present. It was the consensus of the Board to withhold action until the Superintendent had the opportunity to re-evaluate his recommendation after hearing the discussion and the input offered during this meeting.

Mr. Gaetz offered a motion to lay this matter on the table until the next School Board meeting and that the cuts proposed by the Superintendent be held in abeyance until that time.

Mr. Hill seconded the motion and suggested that the Workshop before that meeting begin at an earlier time to cover this matter. He requested that the perceptions discussed in regard to the growth in administration, the FTE, the discretionary funds, etc. be brought forward revealing all the facts and formulas as they relate to this issue. This will allow the Board to make an informed decision based on facts and not assumptions.

Mr. Taylor offered his support of the motion and of Mr. Walker's comment regarding the balancing of budgets for next year.

Mrs. Frakes stated agreement with Mr. Gaetz that there is a need to bring some equity to this problem without penalizing the schools that are saving for special projects. She further stated that she felt that a band-aid fix was being applied and that there is a need for some mid-year budget workshops to consider some budget amendments for the remainder of the year.

Mr. Gaetz offered an amendment to his motion that the Board conduct a mid-year budget workshop to make necessary budget amendments overall. Mr. Hill accepted the amendment.

For legal clarity, Mr. McInnis advised that approval of the motion would mean that the money is sequestered and no one can touch the money until a decision is made by the Board.

The motion as amended carried unanimously.

Motion was made by Mr. Gaetz that the Scope of Services for the CPA firm of Carr, Riggs, & Ingram be expanded to provide a mid-year review of financial indicators; specifically, confirm and reconcile cash and investment balances as of most recent month end, compare those balances to reconciled cash as of January 31 of 1999 and 1998, compile monthly revenue and expense statements for the 1999-2000 period, project a total 1999-2000 revenues and expenditures based on year-to-date results, current year budget and prior year averages in order to identify any projected budget shortfall and give the Board the ability to budget for and have funds for all aspects of the budget process. The motion was seconded by Mr. Taylor.

Mr. Walker suggested that in fairness to the Board and the Superintendent, Mr. Gaetz prepare and submit this motion for the next meeting. Mr. Gaetz insisted that it was a matter of urgency to get someone to work figuring out the financial condition of the school district so that correct information will be available for the budget workshop.

At the request of the Chairman, Mr. Gaetz amended his motion to include that the Board directs and empowers the Chairman and the Attorney to make such

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arrangements as are necessary to expand and amend the Scope of Services with the CPA firm to accomplish this task. Mr. Taylor accepted the amendment.

The motion as amended carried unanimously.

The Monthly Financial Report for December 1999 was returned to the table and the Monthly Financial Report for January 2000 was tabled on a motion by Mr. Gaetz, seconded by Mr. Hill and carried unanimously.

### **CONSTRUCTION PROGRAM/OWNER'S REPRESENTATIVE'S BUSINESS:**

1. Motion to approve Sverdrup/Delta Capital Outlay Change Order No. 85, Program 1, was made by Mr. Gaetz, seconded by Mr. Taylor and carried unanimously (Exhibit 00-98).
2. Sverdrup/Delta Capital Outlay Change Order No. 14, Program 2, was approved on a motion by Mrs. Frakes, seconded by Mr. Taylor and carried unanimously (Exhibit 00-99).
3. Sverdrup/Delta Capital Outlay Change Order No. 1, Technology Program, was unanimously approved on a motion by Mr. Taylor and seconded by Mrs. Frakes (Exhibit 00-100).

**BIDS AND PURCHASING:** None

**ATTORNEY'S BUSINESS:** None

**BOARD MEMBERS' BUSINESS:** None

### **SUPERINTENDENT'S BUSINESS:**

1. Destin Elementary fourth grade classes to take a field trip to New Orleans, Louisiana, on May 19, 2000 (Exhibit 00-101).
2. Bruner Middle School seventh and eighth grade MathCounts team to compete in the Tri-State Math and Computer Science Olympiad at Wallace Community College in Dothan, Alabama, on March 20, 2000 (Exhibit 00-102).
3. Niceville High School Marine Biology students to compete in the Hurricane Bowl in Biloxi, Mississippi, February 11-13, 2000 (Exhibit 00-103).
4. Richbourg Middle School students to participate in The University of Alabama's seventh and eighth grade honors band in Tuscaloosa, Alabama, on February 24-27, 2000 (Exhibit 00-104).
5. Mary Esther Elementary fifth grade students to visit The Space and Rocket Center in Huntsville, Alabama, on March 24, 2000 (Exhibit 00-105).
6. Moved to Discussion Agenda #4 - Northwood Elementary School Class Size Reduction Funds

There being no further business to come before the Board, and upon motion being duly made and seconded, the meeting was adjourned at 7:55 p.m.

Teresa Epperson, Recorder

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EMMETT WINDHAM  
ASSISTANT SUPERINTENDENT

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RODNEY WALKER  
CHAIRMAN OF THE BOARD