

REGULAR MEETING – SEPTEMBER 13, 2010

The Invocation was offered by Dr. Tibbetts; the Pledge of Allegiance was led by Mrs. Frakes.

The School Board of Okaloosa County met in Regular Session on September 13, 2010, in the School District Administration Building, 120 Lowery Place, SE, Fort Walton Beach, Florida.

PRESENT: Rodney Walker, Chairman
Cindy Frakes, Vice-Chairman
Howard Hill
Chuck Kelley
Cathy Thigpen

Alexis Tibbetts, Superintendent
C. Jeffrey McInnis, Esq., Attorney to the Board

The Chairman called the meeting to order at 6:05 p.m. and welcomed visitors and presenters.

APPROVAL OF AGENDA:

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

Consent Agenda: Added as Consent #26, Re-appropriation of District 5 School Board Member Capital Outlay Funds to Bluewater Elementary School in the amount of \$2050; added as Consent #27, Appropriation of District 4 School Board Member Capital Outlay Funds to Bob Sikes Elementary School in the amount of \$4784; added as Consent #28, 2010-2011 State Appropriated Equipment Assistance Grant Non-Competitive for School Food Service Authorities; added as Consent #29, Attorney Employment Contract Contingent Fee Agreement with Nix, Patterson & Roach, LLP; added as Consent #30, Recommendation to name the football field at Meigs Middle School in honor of Coach Paul Pope.

The Chairman recessed the Regular Meeting and called to order the Public Hearing at 6:08 p.m.

PUBLIC HEARING:

The Chairman stated that the purpose of the hearing was to provide information to the general public on the School District's strategies to meet the requirement of the Class Size Constitutional Amendment. The Chairman called for public comment; there was none.

In accordance with State Statute, information was provided to the public regarding the School District's strategies to meet the requirements of the Class Size Constitutional Amendment.

Mrs. Scallan, Chief Financial Officer, stated that this was the second public hearing that was required to inform the public of the budget initiatives and strategies that the District has implemented in order to meet class size. A PowerPoint presentation was given at the first public hearing, and was posted on the District's web site. Mrs. Scallan stated that she has copies available upon request.

Mrs. Scallan stated that the Board has absorbed approximately \$30 million in budget reductions over the last 3 ½ years, due to declining enrollment and state-mandated reductions. She noted that since the 2006-2007 school year, the District has

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declined by 2400 students. She stated that the District is required by law to meet class size which is a constitutional amendment.

Mrs. Scallan gave an overview of the reductions within departments that have affected personnel, transportation and food service to name a few. Contracts that have been re-negotiated for potential savings include the SEAT Management contract, the SRO contract, the Embry Riddle contract, and the health services contract. An energy savings plan has been implemented as well. She cited specific personnel areas that have been reduced including the implementation of an early retirement program, changes in health benefits, and a new salary schedule for new teachers which was negotiated with the Union. Additionally, since the last public hearing regarding class size, the Board negotiated with the Union for Associate Teachers which are at a lesser cost.

Mrs. Scallan stated that schools have also made reductions. Examples she provided were the closure of facilities, reduction in staff, the elimination of course offerings, and a reduced summer school program. She stated that a whole host of initiatives and strategies have been implemented in order to meet class size and in order to balance the budget.

In response to Mr. Kelley's question about the correlation between the reductions that were described and class size, Mrs. Scallan stated that class size requires a smaller number of students in a class which means that the District is not receiving as much money per student as in the past. For example, a teacher in a class of 18 students does not generate enough money to pay for that teacher. In order to pay for those teachers and meet the class size amendment, it has been necessary to eliminate programs and increase the student load in non-core courses.

Mrs. Scallan explained that approximately 35 Associate Teachers have been hired, and although additional funding from the legislature was allocated for class size, not enough funds were provided to pay for all of the teachers that the District was required to hire for class size. Additionally, the amount of money the District receives per student is less than it has been in the last approximately 8 years.

Mrs. Scallan further explained that if the District does not meet class size for the current year, the District will lose 50% of funding that is received for every student in each section that is over class size. If the constitutional amendment is not amended by the voters to where it remains at school-wide, then next year the penalty for not meeting class size will increase to 100% loss of funding for every student in each section that is over class size.

In regard to the class size reduction funds from the legislature, Mr. Hill noted that statute requires Districts to apply any excess funds for class size reduction toward teacher salaries; therefore, teacher salaries have increased.

Mrs. Frakes clarified that the class size amendment is a constitutional amendment of which the District must comply, and funds that the legislature has allocated for class size reduction is not enough to fulfill the directives from the State. Mr. Kelley added that the shortfall of funds is driving a lot of the reductions that Mrs. Scallan enumerated in administration and throughout the schools.

The Chairman concluded the Public Hearing at 6:18 p.m. and called to order the scheduled Public Hearing for the purpose of receiving public input and considering adoption of the Superintendent's proposed Final Budget and Millage Rate for the Fiscal Year 2010-2011.

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The Tentative Millage Rates and Preliminary and Tentative Budget were adopted separately and individually, as well as in total, at the Public Hearing conducted on July 26, 2010.

The Chairman stated that there has been no change in the millage rate since the first Public Hearing on the 2010-2011 Preliminary and Tentative Budget conducted on July 26, 2010. Mrs. Scallan stated that the Preliminary and Tentative budget included a 20 year history of the millage rate, and this year the millage rate is the lowest it has been in 20 years.

The Chairman stated that the Board would adopt each of the millage levies on a separate vote and in total, and would adopt the District Summary Budget also by a separate vote and in total.

Mr. McInnis presented the millage to be levied for the 2010-2011 fiscal year and the proposed Total District Summary Budget as follows:

1. Required Local Effort Millage at 5.2860 Mills
2. Basic Discretionary Millage at 0.7480 Mills
3. Capital Outlay Millage at 1.5000 Mills
4. Total-Millage Levy at 7.5340 Mills

The proposed Total District Summary Budget of \$361,533,704.22

Mr. McInnis explained that individuals requesting to speak would be allotted three minutes to make their comments if speaking on their own behalf, and five minutes if speaking on behalf of a group or organization.

Mr. Charles Rigdon, Destin resident and SAC representative for Destin Elementary and Destin Middle Schools, spoke to the Board regarding the budgeting process and how the Board determines the budget. He stated that approximately 85% of the budget is in salaries and that making cuts from the remaining 15% would not be enough to balance the budget. Secondly, he requested the Board to consider large school supplements because the schools with the largest student populations are eliminating or reducing programs. He stated that the funding situation is not equitable as smaller schools in the system that are Title I schools have funds in reserve and continue to receive a small school supplement.

A. Resolution No. 10-08 determining the revenues to be produced and the millage to be levied for Fiscal Year 2010-2011, presented by Rita Scallan and recommended by the Superintendent for approval:

- (1) Motion to adopt the Required Local Effort Millage rate of 5.2860 Mills was made by Mrs. Frakes, seconded by Mrs. Thigpen and carried unanimously.
- (2) Motion to adopt the Basic Discretionary Millage rate of 0.7480 as made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.
- (3) Motion to adopt the Capital Outlay Millage rate of 1.5000 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.
- (4) Motion to adopt the Total Millage rate of 7.5340 was made by Mr. Hill. Mr. Hill noted that this rate is 0.105 less than last year. Mr. Hill's motion was seconded by Mrs. Frakes and carried unanimously.

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B. Resolution No. 10-08 adopting the Okaloosa County School Board final budget for Fiscal Year 2010-2011, presented by Rita Scallan and recommended by the Superintendent for approval:

(1) General Fund Budget in the amount of \$262,795.059.71.

Mr. Hill asked for clarification regarding \$2.2 million for salary resynching. Mrs. Scallan explained that salary resynching is the project that average salaries are budgeted, and in November an adjustment is made from average to actual and that project is used to make that adjustment. Motion to adopt the General Fund Budget in the amount of \$262,795.059.71 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(2) Motion to adopt the Debt Service Fund Budget in the amount of \$10,595,437.58 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(3) Motion to adopt the Capital Project Funds Budget in the amount of \$45,718,875.71 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(4) Motion to adopt the Special Revenue Funds – Federal Programs in the amount of \$18,642,689.86 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(5) Motion to adopt the Special Revenue Funds – Food Service in the amount of \$9,619,449.12 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(6) Motion to adopt Special Revenue Funds-State Fiscal Stabilization in the amount of \$9,226,371.00 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(7) Special Revenue Funds-Targeted ARRA Stimulus Funds in the amount of \$4,935,821.24 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

(8) Motion to adopt the Total District Summary Budget in the amount of \$361,533,704.22 was made by Mr. Hill, seconded by Mrs. Thigpen and carried unanimously.

The Chairman concluded the Public Hearing and reconvened the Regular Meeting at 6:33 p.m.

VISITORS: None

PUBLIC DISCUSSION: No Request

PERSONNEL APPOINTMENTS: None

COMMITTEE AND STAFF REPORTS: (Workshop Only)

1. In-County Travel paid for the period of August 5 – 25, 2010, presented by Rita Scallan (Exhibit 10-685)
2. Out-of-County Travel paid for the period of August 5 – 25, 2010, presented by Rita Scallan (Exhibit 10-686)

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3. Superintendent's Annual Financial Report and Report of Financial Data to the Commissioner of Education for Fiscal Year Ended June 30, 2010, presented by Rita Scallan (Exhibit 10-687)
4. Report on Alliance for a Healthier Generation, Guidelines for Competitive Foods, presented by Rick Norris (Exhibit 10-688)

CONSENT AGENDA:

Mrs. Frakes acknowledged Mrs. Paul Pope and faculty from Meigs Middle School who were in attendance in honor of naming Meigs football field the Coach Paul Pope Field.

Dr. Tibbetts recognized Debbie Buchanan, the new L3 Communications Web Development Manager for the District.

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

1. Minutes of Regular Meeting of August 23, 2010, recommended by the Superintendent for approval.
2. Appropriation of District 5 School Board Member Capital Outlay Funds to CHOICE for an interactive projector and a CNC lathe in the amount of \$4774.00, presented by Howard Hill and recommended by the Superintendent for approval (Exhibit 10-689).
3. Appropriation of District 5 School Board Member Capital Outlay Funds to Niceville High School for surveillance equipment in the amount of \$4510.00, presented by Howard Hill and recommended by the Superintendent for approval (Exhibit 10-690).
4. Payment of Invoices dated September 13, 2010, presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-691).
5. Warrants in the amount of \$11,383,038.22 and Bank Transfers in the amount of \$279,000.00, presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-692).
6. Acceptance of Donations, presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-693).
7. Budget Amendment #12 for 2009-2010, presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-694).
8. Monthly Financial Statement for month ended June 30, 2010 (revised as of August 31, 2010), presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-695).
9. Charter School Capital Outlay Plans for Fiscal Year 2010-2011, presented by Rita Scallan and recommended by the Superintendent for approval (Exhibit 10-696):
 - A. Okaloosa Academy
 - B. Liza Jackson Preparatory School
 - C. Collegiate High School of Northwest Florida State College

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10. Surplus Property List, items for disposal at public sale on September 23 & 24, 2010, presented by Rick Kipatrick and recommended by the Superintendent for approval (Exhibit 10-697).
11. School Volunteer Lists, compiled by Kaye McKinley and recommended by the Superintendent for approval (Exhibit 10-698).
12. Student Affiliation Agreement between the School Board of Okaloosa County and North Okaloosa Medical Center to provide clinical experience for students participating in the Practical Nursing program at CHOICE High School and Technical Center, presented by Brenda Leeth and recommended by the Superintendent for approval (Exhibit 10-699).
13. Student Affiliation Agreement between the School Board of Okaloosa County and Twin Cities Hospital to provide clinical experience for students participating in the Practical Nursing and Certified Nursing Assistant programs at CHOICE High School and Technical Center, presented by Brenda Leeth and recommended by the Superintendent for approval (Exhibit 10-700).
14. Agreement between the School Board of Okaloosa County and the following employers to provide training to ESE students participating in the School-to-Work program, presented by Melody Sommer and recommended by the Superintendent for approval (Exhibit 10-701):
 - A. Calvary Chapel
 - B. City of Fort Walton Beach
 - C. Golden Corral
 - D. Jackie's Beauty Salon
 - E. Little Caesars (Mary Esther Blvd., Fort Walton Beach)
 - F. Target (Mary Esther)
 - G. Ruby Tuesday
 - H. Salvation Army
 - I. Pic-N-Save
15. Revision of 2010-2011 Pupil Progression Plan, presented by Guyla Hendricks and recommended by the Superintendent for approval (Exhibit 10-702).
16. One-Year Extension for Student/Practicum Teacher Agreements between the School Board of Okaloosa County and the following institutions, presented by Guyla Hendricks and recommended by the Superintendent for approval:
 - A. University of West Florida (Exhibit 10-703)
 - B. Northwest Florida State College (Exhibit 10-704)
 - C. Florida State University (Exhibit 10-705)
 - D. University of Phoenix (Exhibit 10-706)
17. Student Teaching Affiliation Agreement between the School Board of Okaloosa County and Grand Canyon University, presented by Guyla Hendricks and recommended by the Superintendent for approval (Exhibit 10-707).
18. Apple Authorized Training Center Agreement between the School Board of Okaloosa County and Apple, Inc., to be a certification testing site, presented by Patti Bonezzi and recommended by the Superintendent for approval (Exhibit 10-708).
19. Supplemental Educational Services (SES) Contract Modification Agreement between the School Board of Okaloosa County and IA+Tutor U, presented by Jenny Calderone and recommended by the Superintendent for approval (Exhibit 10-709).

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20. Employee Assistance Program Services Contract between the School Board of Okaloosa County and Pattison Professional Counseling Center, presented by Mike Foxworthy and recommended by the Superintendent for approval (Exhibit 10-710).
21. Personnel Recommendations, presented by Mike Foxworthy and recommended by the Superintendent for approval:
 - A. New Hire Report (Exhibit 10-711)
 - B. Leave Requests (Exhibit 10-712)
 - C. Transfer Report (Exhibit 10-711)
22. Employment Separations, presented by Mike Foxworthy and recommended by the Superintendent for approval (Exhibit 10-713).
23. Reinstatement of Sick Leave due to line-of-duty illness/injury/medical examination, presented by Mike Foxworthy and recommended by the Superintendent for approval (Exhibit 10-714):
 - A. Timothy Barrow, Transportation, 48 hours
 - B. Janice Lawson, Davidson Middle School, 6 hours
 - C. Renee Mayville, Human Resources Department, 16.75 hours
24. Zoning Waivers, presented by Deputy Superintendents and recommended by the Superintendent for approval (Exhibit 10-715; See Zoning Waiver file).
25. Bids and Purchasing, presented by Rick Norris and recommended by the Superintendent for approval (see bid file for additional information):
 - A. Approval of Bids and Purchasing Requests:
 - (1) Amendment to RFB 10-B08 Transportation Replacement School Bus Parts, awarded to Heavy Duty Bus Parts, Inc., School Bus Parts Company, and Ward International Trucks, Inc. (Exhibit 10-716)
 - (2) Renewal of RFP 09-P04 Energy Savings Program-HVAC System Control Program, awarded to Siemens Industry, Inc., Fixed Prices (Exhibit 10-717)
 - (3) Tag-on-Bid with the School Board of Escambia County for Indefinite Quantity Environmental Contracting Services, awarded to MARCOR Remediation, Inc. and Cross Construction Services, Inc, Fixed Prices (Exhibit 10-718)
 - B. Rejection of Bids and Purchasing Requests:
 - (1) RFP 11-P01 Fire Alarm and Certification Repairs-County wide, no award (Exhibit 10-719)
 - C. Service Agreements:
 - (1) SA# 11-68 Matthew Fossa, Woodwind instruction, Destin Middle School - \$1500.00 (Band Internal Funds) (Exhibit 10-720)
 - (2) SA# 11-70 Educational Based Services, Inc., Speech/Language therapy and related services, ESE Department – not to exceed \$63,112.50 (IDEA Part B-ARRA-Targeted Funds) (Exhibit 10-721)

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26. Re-appropriation of District 5 School Board Member Capital Outlay Funds to Bluewater Elementary School to purchase a video surveillance camera in the amount of \$2050 to the purchase of needed projectors or other technology for new teachers, at the principal's discretion, presented by Howard Hill and recommended by the Superintendent for approval (Exhibit 10-722).
27. Appropriation of District 4 School Board Member Capital Outlay Funds to Bob Sikes Elementary School for the purchase of 16 MIMIO notepads in the amount of \$4784, presented by Cathy Thigpen and recommended by the Superintendent for approval (Exhibit 10-723).
28. 2010-2011 State Appropriated Equipment Assistance Grant Non-Competitive for School Food Service Authorities, presented by Rick Norris, and recommended by the Superintendent for approval (Exhibit 10-724).
29. Attorney Employment Contract Contingent Fee Agreement between the School Board of Okaloosa County and Nix, Patterson & Roach, LLP, presented by Jeff McInnis and recommended by the Superintendent for approval (Exhibit 10-725).
30. Recommendation to name the football field at Meigs Middle School the Coach Paul Pope Field, presented by Cindy Frakes and recommended by the Superintendent for approval (Exhibit 10-726).

DISCUSSION AGENDA: None

CONSTRUCTION PROGRAM/OWNER'S REPRESENTATIVE'S BUSINESS: None

INFORMATION TECHNOLOGY SEAT MANAGEMENT CONTRACT: None

BIDS AND PURCHASING: None

ATTORNEY'S BUSINESS:

Mr. McInnis requested that the Board meet in an attorney-client session prior to the next Board meeting to discuss a proposed resolution in pending litigation against the District. The closed session is expected to last approximately 30 minutes.

SUPERINTENDENT'S BUSINESS:

1. Out-of-State Student Field Trips (Exhibit 10-727)

BOARD MEMBERS' BUSINESS:

1. Change in Charter Review Committee Membership

Mrs. Frakes announced at the Board Workshop that her representative for the Charter School Review Committee has been changed to Mary Vasiloff.

Mrs. Frakes proposed that the Board request that the Superintendent prepare a proposal to use a portion of the stimulus funds for those schools that are having difficulty finding their needs. She stated that according to the guidelines, the funds must go to the schools and cannot be used for District expense. The purpose of the money is to stimulate the local economy, and according to the guidelines the funds should be sent to the schools as quickly as possible.

Mr. Hill stated that there is concern that the State may impose a mid-year reduction in funding after the November elections since the State made up the difference between the Required Local Effort Millage and the District's projected tax

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rolls. Mrs. Scallan explained that the change in the tax roll made a difference to the general fund of about \$800,000 and the State did not make up that difference. She gave further explanation of how the changes in legislation affected the percentage of what could be budgeted and the percentage that has been collected.

Mr. Walker suggested that each Board member get with the Superintendent and Mrs. Scallan regarding the latest stimulus funding with input for needs at the schools in their district. He stated that these funds are very specific and must be spent at the school level.

There was discussion regarding using non-recurring revenue on recurring expenses, and not spending all of the stimulus money this year. Mrs. Scallan stated that DOE has advised to spend Federal dollars and to hold on to general fund dollars. She also stated that she would not be giving sound advice if she did not recommend holding a large amount of general funds for next year.

Mrs. Scallan further explained that Title I funding is provided to the District by the Federal government and it must be allocated on the percentage of Free and Reduced meals. Title I funding is intended to help progress students in schools with low poverty, low socio-economic conditions, whereas a school that does not have a population with those conditions does not receive Title I funds.

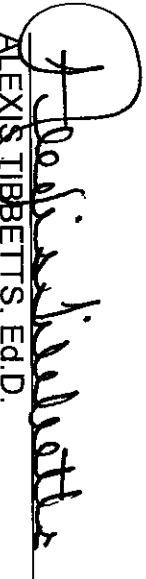
Mr. Kelley reiterated Mr. Rigdon's statement concerning the small school supplement that continues to be paid in addition to Title I funds, while the larger elementary schools are eliminating and reducing programs. Mr. Walker stated that it is possible that small schools will continue receiving supplements because of the restrictions of which Title I funds can be used. Mrs. Hendricks explained that Title I funds are very specific and are allocated to improve the performance of those students who would not be at grade level without the support, and those funds cannot be used for anything else. Mrs. Scallan clarified that when looking at adjusting the supplemental funding, the supplements have to be equal to all schools.

Mrs. Thigpen stated that in the past, J.C. Connor has presented a comparison of enrollment from year to year soon after FTE, and she requested that he present information at the last meeting in October as it would help in making guidelines with the budget.

Dr. Tibbetts stated that a class size trial run was completed last weekend and the District is very close in meeting class size. There is one more trial run scheduled in two weeks. Hiring associate teachers continues and it is anticipated that everyone will be in place before the next trial run.

There being no further business, and upon motion being duly made and seconded, the meeting was adjourned at 7:00 p.m.

Jan Crawford, Recorder


ALEXIS TIBBETTS, Ed.D.
SUPERINTENDENT AND
CORPORATE SECRETARY


RODNEY L. WALKER
CHAIRMAN OF THE BOARD