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THE SCHOOL BOARD OF LEE COUNTY
School Board Briefing Meeting – M I N U T E S (Approval 1/22/08)
Tuesday – January 8, 2008 / 2:30 p.m.

Attendees: Mrs. Jeanne S. Dozier, Board Chairman
Mr. Robert D. Chilmonik, Board Member
Dr. James W. Browder, Secretary & District Superintendent
Mr. Keith Martin, Board Attorney
Dr. Jane E. Kuckel, Board Vice Chair
Mr. Steven K. Teuber, J.D., Board Member
Dr. Elinor C. Scricca, Board Member (via phone)
Mrs. Denise Mangus, Recording Secretary

(Dr. Kuckel called the meeting to order at 2:35 p.m.)

A. BOARD MEMBERS

- 1. Special Areas of Board Involvement/Reports** – Mr. Chilmonik wished all a Happy New Year. Mrs. Dozier noted the great holiday send-off of the 12/21 Support Services barbeque lunch; she's had many conference calls re today's agenda item of SBA and Investment of Funds. Dr. Scricca hoped all had nice Christmas and New Year celebrations. (Mr. Teuber and Dr. Kuckel had no reports.)

B. ACADEMIC SERVICES – none

C. ADMINISTRATIVE/SUPPORT SERVICES

- 1. Change Orders/December** – There were no questions (back-up on file with minutes).

D. BUSINESS SERVICES

- 1. SBA and Investment of Funds** – Dr. Browder commented on having the opportunity to attend a 1/3 Tallahassee meeting where General Milligan was present and Jerry Ford (latter District financial consultant); there were many school districts represented there. There was much listening to testimony and information presented. Board Members were provided with summary data yesterday. Dr. Browder noted the want to continue exploring the movement of investments/cash within the SBA manager portfolios. A commitment to transparency was mentioned as well as a website to go to and see maturity calendar; in previous years, only money could be requested. One of the positives out of conversations was that the November interest held was a one-time deal. Interest is being moved to open up; per Greta Campbell (District Financial Accounting Director), \$1 million has posted this month already. The projection of maturity dates was talked about to provide maximum liquidity for those applicable in need. There is work towards liquidity in the fund—e.g., \$2.3 billion in the next three months. Re Mrs. Dozier's question, November's interest held to free up funds hasn't been received but December's has. Dr. Browder noted in the packet Citizens Insurance made it clear they'll start withdrawing some of their funds (re 10%); we can't speak for them but Dr. Browder and Mr. Ford feel they'll take money over the next year to get to 10% level. The Superintendent trusts Mr. Ford to give real information. Dr. Browder noted though he has a friend (upper management at a major corporation) and the latter's studied this his whole life; it's the feeling that there are some real reliable stocks we're holding inside Fund A (AAA) but Fund B is a little more sketchy and it's understood we'll have to wait for maturity to come in order to be whole. Dr. Browder also provided graphs in yesterday's Board courier packet, including a local investment pool summary and how that went. Dr. Browder noted talking with Mrs. Dozier en route to Tallahassee, and he went with apprehension but the tone of the meeting was real positive; Mr. Ford brings him back to earth, and it's believed those there are not going to withdraw all their money again and take a penalty.

Hillsborough has \$1.5 billion in SBA; Dr. Browder has a list in his office of what all have. Lee County Government has money there as well as some of our fire districts. The biggest thing is that we stay whole; money that stays there belongs to us and we get 100% of our interest. General Milligan brings a sense of calm. All left the Tallahassee meeting understanding that we have a ways to go but we're starting to see results of BlackRock's investigation; another committee will review, and there may be some things to raise eyebrows. Mrs. Campbell had noted \$56 million's been deposited, and \$1 million taken out. Dr. Browder commented on seeing it through, that it's still his hope the fund will stabilize, and all will continue to use it; he noted, in being frank and honest, that the Board has given him authority and to do what's appropriate re funds we have held (after working with Messrs. Ford and Legutko). Dr. Browder desires to continue having the same confidence given to him and we'll look at best strategy for investments, moving forward very cautiously. He wants Mr. Ford to visit here again and possibly have a strategy session re Bank of America money held. Dr. Browder explained that we'll have dollars needed to get through the beginning of next school year; he wants to continue to manage money sensibly but with what we'll move forward.

The best thinking of Messrs. Legutko and Ford will be sought and a recommendation brought forward re what we've sitting in Bank America in order to get the best dollars. Mr. Ford noted Standard & Poor's has assigned a rating of AAA rating to state pool; this is significant in that it puts the pool on par and people on notice that—from a management standpoint—it's a fully-rated pool. It requires them to value securities in the pool regularly; it's done weekly now but will be done daily. The BlackRock contract is 90 days to assess where we were, structure withdrawals, etc.; outside firm contracted of Wilshire Associates, Inc. is to solicit proposals of fund managers for funds on long-term basis. The RFP is on the street, but Mr. Ford understands there's still an option of considering SBA to step back in and manage the pool itself (they're working with Wilshire); he noted it's not a foregone conclusion to go with an outside manager. SBA has done it at a fraction of cost for 25 years; outside could mean 8-15 basis points versus SBA's 1/100 of a percent. There's available liquidity in the first quarter; the District's withdrawals will be allowed for another 6% (we've 15%, so it will be 21%). Dr. Browder called the Hillsborough school superintendent. We can get 6% more above our 15 (not another 21% on top of the 6), and then it will go to 27 next time. Mr. Ford noted he reviews the meetings' audio files as different things may be heard/interpreted; he goes through entire discussions and makes more notes. He commented that the SBA is wonderful in going over things on the phone the next day and clarifying. Mr. Ford added to be aware of trading some securities if only dead-even trade and no party harmed; some are shorter and some are longer term. The analysis is not finished yet and an amount may need to be done. While some securities matured at the end of December and some at the end of February, the vast majority will be the last day of September 2008 and December 2008; that's where the bulk of liquidity comes from. As an example, if Citizens draw down 10%, other investors would have to make it up 90%. Citizens has an applicable \$500,000 million but they haven't done that. It was confirmed to Mr. Chilmonik by Mr. Ford that Countrywide Bank is the same one having some problems on Wall Street; the latter noted the pool contains though commercial paper (some have not paid and some extended maturity). Mr. Ford can't comment re Countrywide possibly declaring bankruptcy but he mentioned freezing money. It's expected that a great majority of pool to be paid off; how big losses is unknown. The pool is AAA rated; in order to get this rating, a block of securities was moved from A to B with some other items (to make even exchange amount).

Dr. Scricca thanked Dr. Browder for the info which appears explanatory; she requested, if Board concurs, intermittent/periodic visits by Mr. Ford for updates. Mr. Ford has served the District well; it might provide assurance (there was consensus). Dr. Browder planned to do this, and he will make arrangements. Mrs. Dozier noted an impression of monies to carry the District through all of next school year; it was explained that the new numbers are through the October second pay period, and there's been factoring of all external things to make payroll. This doesn't count what Mr. Ford describes as available revenue to draw down once the fund becomes more liquid; property appraiser and tax collector amounts come to us the first of November; Dr. Browder's goals was to get a good feeling of us to make payroll by them and to assure District is on real firm ground. Mrs. Dozier noted, as well as Mr. Ford, that there's an advisory group; Citizens is the largest investor and there's also reps from associated counties, cities, districts, school superintendents, county clerks, etc. One point of the group is to reach out to investor community at large, getting a hold of folks. Per Dr. Browder, the face-to-face has been about 1/3; he's been doing much business on the phone. There are reps such as our Board Chair and superintendents across the board; there are reps that stayed with SBA and also those involved in the run on SBA. Mrs. Dozier noting expressing loudly that we've individuals on the committee who created the run; some have substantial influence and making recommendations to individuals who are still in the pool. Those who made the run only have, at-risk, the November interest.

Mr. Ford confirmed this but in his opinion, the situation (run on pool) was unnecessary from the start; it didn't need to happen or should've (not good for those in pool today or who exited). Perhaps if SBA had communicated the type of info explained as now (and timely), maybe such a run might have been prevented. Mr. Ford thinks that part of the reason both groups are involved is, the desire on the part of many, to have an organization serve municipalities and governments to survive since service of many years. SBA needs to convince them of what is needed to be done and correct. Mr. Ford noted Mrs. Dozier's sentiments were also given by a Hillsborough gentleman. Mr. Ford doesn't think it's right or wrong but re terms of long-term strategy, where do you want responsibility to lie. If it's desired to hold the state responsible, it's probably important to work with all local governments; he requests some thought given to this. Dr. Browder thanked Mr. Ford for his extensive time commitment to this, which is done in the interest of our District to ensure we're protected; the latter has done this over the state, and this isn't an area we usually do business. Mr. Ford has taken it upon himself for us to have the best interests; the Superintendent thanked him for us and others. Dr. Kuckel expressed thanks, noting Mr. Ford is thorough/detailed, has researched, and provided great advice during our times of borrowing and saved us millions; he has great credibility in the community and well deserved.

- 2. Excess Broadband Capacity Lease** – Dr. Browder noted an attorney was hired from Washington a few years back to help with FCC; we have 3 for lease to vendors re frequency capacity (trying to get 4th back). These are going in all over the U.S., and we want to ensure the District receives the appropriate lease dollars for frequency space. Two vendors responded to the RFP and how much they'll pay to lease. Duane Alton noted about 93% of capacity can be leased, and this is inside of that. Dr. Browder noted he's proposing action at the next Board meeting to name Sprint since they'll give the best deal; the figures are about \$1.5 million upfront to be received by the District for the space as well as a monthly fee of around \$10,000 to lease to Sprint. Airspace is what all U.S. companies are trying to do. Mr. Alton, Robert George, Keith Martin, and Al Shilling have been involved re looking at this, the RFP, getting information, and bringing an item for Dr. Browder to take to the Board. The lease is for 30 years but in 5-year increment (3% increase per year); in the item will be a monthly payment schedule to show what the District would receive monetarily per month. In response to Dr. Kuckel's question on what happens in 5 years, Mr. Martin explained the discretion rest with the vendor in 5 years unless they breach conditions of agreement. Mr. Alton explained that what we're giving up for 30 years is the frequency we used for broadcasting our TV station; at our old facility, we broadcast and had towers like PBS. Presently we do digital distribution, and frequencies are not needed by us now due to FCC changes (regulating how we use and can). Since we maintain licenses, opportunities are being looked at to increasing funds by leasing, and cell phone companies are looking to purchase. It's very competitive, and the District received two nice offers, with Sprint the best. Mr. Alton summer up major points—we're on forefront of technology in distributing video out to schools using computer network. There isn't anything on horizon to use that air space, and we would have to make significant investment for something that may arise. It will be better to utilize this way. Per Dr. Scricca's question/confirmation, the District will receive \$10,000 monthly from Sprint, upfront monies, and lease of airspace. Per Mrs. Dozier to clarify, Mr. Shilling noted we're retaining 5% for our use (illegal to give up 100%); Mrs. Dozier reiterated hearing that we don't anticipate use due to cost factors down the road. Mr. Shilling noted technology could go the other way in that more may be able to be fitted in smaller space, and the value for that space could decrease. Dr. Browder noted the question of Mrs. Dozier and Dr. Scricca are on-target; the District receives upfront and monthly lease dollars, allowing us to be on the front side (we use computer network to go out to schools). Dr. Kuckel noted appreciation for the windfall to our budget; in response to her question on the vendor's notice to the District if decision to non-renew, Mr. Martin noted the requirement is 6 months before the end of the contract. Mr. Teuber confirmed affirmatively that it's then automatic renewal if no notice given.

E. HUMAN RESOURCES – none

F. EXECUTIVE SERVICES

- 1. Proposed Student Assignment Plan 2008-09** – Dr. Browder noted changes being brought today need to occur within the plan (grammatical and clarification); we're inside the three-year phase in. He noted the plan has served us well in what's been tried re accomplishing for students. We're changing attractor to magnet; we have multiple now. There's a committee that meets, going through changes and recommendations felt the best way to do it. Mr. Martin and other professionals on student assignment have reviewed, and we're within the law. There are three Parent Information Centers (PICs)—one in each zone. The business of the District is performed on a daily basis (with language reinforcing and online applications), and we're getting ready for another three years down the road. Dr. Browder gave full credit to Mike Smith, Leila Muvdi, and the committee. Mrs. Dozier inquired as to a particular paragraph on Appendix C (latter distributed and apology given), of which Dr. Browder noted this is the new program at Mariner. Dunbar High will be in the East Zone for access next year. Zone transfers within 10-20 days at the end of year will stop due to being more educationally sound and in best interests of students (Mr. Smith and Ms. Muvdi studied). Another change is the race of the child's parent has been removed since irrelevant. G. Weaver Hipps and Oak Hammock schools were added to Appendix C, with some footnotes; what the Board has discussed has been included. It was confirmed, re South Zone technology magnet, to Dr. Kuckel with Dunbar High moving to the East Zone that South Zone students can still select Dunbar and attend. Any East Zone student can choose Dunbar. When they go to East Zone, South students can still have option to choose. Dr. Browder noted Principal Burnside has a stable East Zone school population. There's been work to ease East Zone capacity (putting off construction of another new East Zone high school for five years). It is felt more students will choose Dunbar as a first choice (re technology program); kids who attend there now love it. Mrs. Dozier noted her belief in fairness and equity across the board, and she appreciates Dr. Kuckel's question. Mrs. Dozier does have a concern re OPPAGA direction in reducing transportation costs re cross-zone (doesn't want to "shoot ourselves in the foot"); it was noted Ft. Myers High is a South Zone south zone magnet (will not phase out). Dr. Browder noted we looked at minimum number of miles in order to accomplish. We've many buses almost coming to Dunbar High (e.g., Lee Middle); students may be added next year but not bus drivers. We're getting good at managing District growth and bus scheduling. Dr.

Browder will take Mrs. Dozier’s concern under advisement; he, Mr. Smith and Ms. Muvdi will address and bring it back in the future if it becomes an issue.

2. **Saturday Driver Education Program** – Dr. Browder noted an issue being dealt with is Level 3 (FCAT) readers, with a percentile problem in grades 8, 9, and 10 District-wide. Initially, it was thought to have one high school in each zone offer Saturday driver education but with the reading problems (and electives/extra classes possibly needed), all schools will have. The Saturday driver ed program is funded by Dori Slosberg monies, which can only be used for something like this (set aside from local speeding tickets). Drivers ed teachers were consulted re a Saturday program; the plan was sent back, and Mr. Wiseman put it together. There were discussions with Ms. Mutzenard and Mr. Castellanos; it’s hoped to have the program by the second Saturday in February. Dr. Browder sees this as an elective class enhancement/another chance for students (even if 5 in the class but funded); he has critical concerns over reading but positive gains in District secondary schools are starting. This may be a hook/elective class of keeping some in school. Mr. Teuber noted he had discussions with Dr. Browder on programs (e.g., Bright Futures); there are many year-long programs but ones which are not (e.g., driver’s ed), allowing to take electives. Students may drop out of year-long elective for one semester driver’s ed instead and have a gap-filler; Mr. Teuber feels more than 5 will take. Law enforcement has done a good job in making funds available so as to fund. Dr. Browder noted driver’s ed is a critical part of curriculum in addition to many parents preferring an instructor to teach their child driving (due to patience). Mrs. Dozier expressed her complete support of this because of students scoring lower; she clarified an earlier statement that she and Mr. Teuber held independent discussions with Dr. Browder. Dr. Browder noted he has regular separate talks with Board Members and that the program herein is critical for the overall health of youngsters. Re Dr. Scricca’s question on how many students this Saturday driver’s ed program can serve, Dr. Browder noted there’ll be students who need an elective; this capitalizes on serving more students. He explained that each high school will be advertising this and kids will come forward (a Saturday program will be expressed as positive). A significant response can even be anticipated.

G. PUBLIC COMMENT – none

H. BOARD ATTORNEY / SUPERINTENDENT’S COMMENTS – Mr. Martin provided a School Law minute on least restrictive environment for IDEA (law requires students be educated with non-IDEA as much as possible). He noted courts tell about least restrictive environment, educational benefit and safety of other students in addition to operate/interact with non-disabled peers. Inclusion is a different term—educational philosophy and not a requirement (term not in IDEA). IDEA doesn’t require all disabled be in a regular environment. Dr. Browder wished all a happy new year, noting the first 10 days back close up the semester now and all that occurs with that; he thanked teachers and support staff re final exam preparations. Dr. Kuckel noted she is sad the semester break is not with the winter break. The meeting adjourned at 3:51 p.m.

/dwm

MINUTES BOOK NO. 44 - FY08

Jane E. Kuckel, Ph.D., Meeting Chair

ATTEST:

James W. Browder, Ed.D., Secretary and District Superintendent

An audio/visual tape of this meeting has been produced to provide a verbatim record of the proceedings. Members of the public may obtain a copy of the tape of any meeting by making a request for such through the Communications Department and paying the actual cost of copying the tape. Members of the public may view any Board meeting tape at the Communications Department at no cost. Anyone wishing to view a Board meeting tape should contact the Communications Department at 337-8327 to make such a request.