



VISION
To be a world-class school system.

THE SCHOOL BOARD OF LEE COUNTY
School Board Briefing Meeting – M I N U T E S (Approval 3/11/08)
Tuesday – February 26, 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. Robert Dodig, Staff Attorney
Dr. Jane E. Kuckel, Vice Chair
Mr. Steven K. Teuber, Board Member
Dr. Elinor C. Scricca, Board Member
Mrs. Denise Mangus, Recording Secretary

(Ds. Kuckel called the meeting to order at 3:41 p.m.)

A. ITEMS WITH GUESTS

- 1. COPs Variable Rate Transaction** – At last Briefing, Dr. Browder noted Jerry Ford would share information today re funding opportunity options inside variable rates. Mr. Ford noted the District's 1995-A COPs; documents will come to the Board tonight for the same authorization (this time to save 3% if only hole arises in market allowing certificates to fit). The Board has done several transactions in the past. Mr. Ford went over his PowerPoint presentation (copy on file). In 2004-05, the District issued \$60 million in Auction Rate Securities, with interest rates that reset every 7 days and these have provided the lowest interest cost available; the Auction type market recently collapsed, with factors affecting this market that include: downgrades to insurers and broker-dealers; collapse of short-term market yields; unusually steep yield curve; and loss of market liquidity. The District was safe due to bonds' insurer—Financial Security Assistance (FSA) who maintained its AAA/Aaa AAA rating and Morgan Stanley's part. The District is in an unusual position in that two insurance companies escaped collateralized debt obligations (FSA is one); best bids were provided, and their papers fared well. Morgan Stanley has done a phenomenal job in continuing to market the paper to individual investors and communicating to them. Many districts in the state had 9-11% range but ours was just inside 3-1/2%. We don't have a situation like a local hospital. It's unknown how long it will last but it's desired to have the District take advantage of its documents' provisions re auction to variable rate demand obligations (VRDO); the latter's option is similar to auction but it adds a bank letter of credit, guaranteeing liquidity and making this debt eligible for purchase by 2a-7 funds. Nabors, Giblin & Nickerson is helping, along with Mr. Ford and staff, to get things done. Mr. Ford responded to Mr. Chilmonik (latter mentioning banks pulling people's credit lines with second mortgages) that in simple terms, we're okay it looks so far but there could be an upside risk if not to act. It's the opinion of Mr. Ford that the collapse could get the District and it's best to try to get out of it before so. In the worst case, there'd be refinancing at fixed rates and 4.75-5% are still good rates. Dr. Browder explained the variable rate item will be at the 3/11 Board Meeting but tonight has the 1995-A series. Authorization given is a delegated award in that we can't borrow more than 'x,' can't have costs more than 'x,' and savings have to be greater than 3% of amount being refinanced. Mrs. Dozier commended Mr. Ford for always finding that hole in the past re the market, and she feels the savings will be greater than \$600,000; Dr. Scricca expressed similar sentiments. Board consensus was given for Dr. Browder to proceed.
- 2. SBA Update** – Mr. Ford noted some 500,000 securities have matured the last several weeks and interest payments were made (e.g., majority are Countrywide—not asset-backed CDs); there was movement into Pool A of SAB and distributed around. The next big date for SBA is 3/16; \$500 million asset-backed commercial paper from KKR is supposed to mature but it appears now it may not as they're in restructuring conversations—it's like "let us tell you when we think we can pay." Re KKR, they're two options: agree to restructure (already done that on other positions/restructures); if not, senior noteholders—which SBA is one—has option of taking control of the collateral which is single-prime mortgages having 70-78% loan-to-value ratios (meaning if KKR out of it, we went from owning a few-month security to a pool of 30-year mortgages will which tried to be sold off during time). Dr. Browder noted participating in a recent phone call with Mr. Ford; a securities lawyer and a Wall Street person may be involved which values security but the Legislature hired those two individuals on their behalf. SBA gave tremendous information but more will have to be given; Mr. Ford couldn't imagine better people to hire. There'll be a clearer picture and it's hoped the timeline (re Dr. Kuckel's question) is in the next 60 days. There are portions of both KKR Pacific and KKR Atlantic in Pool B (it was confirmed to Mr. Chilmonik that it's the same KKR who bought some of our paper). Mr. Ford confirmed to Mr. Chilmonik that, re owners' equity in homes, it wouldn't be a wrong statement of the significant risk on Fund B (District has about \$50 million at risk in Fund B). Dr. Kuckel thanked Mr. Ford and Dr. Browder for sharing and keeping the Board apprised of this information so as to be proactive.

B. BOARD MEMBERS

- 1. Special Areas of Board Involvement/Reports** (majority deferred due to this afternoon's time constraints) – Mrs. Dozier noted a Board Workshop on 3/19 at 1:00 p.m. (all Board Members' calendars clear) for Internal Auditor to the Board discussions. Mr. Chilmonik thanked Mrs. Dozier and Dr. Browder for being at the Teacher of the Year's surprise announcement, acknowledging Ms. Corace; he noted the Lt. Governor will be at Trafalgar Elementary for a press release on physical education, and Dr. Browder added that Mrs. Dozier plans to attend this.

C. ACADEMIC SERVICES

- 1. Comprehensive Redesign Plan for Title I Schools** – Dr. Browder noted going through the process to ensure compliance; he commended Dr. Clarke/her team for the outstanding job in setting the District apart re what we're trying to do (see PowerPoint copy on file). District's Comprehensive Redesign Plan is draft until DOE approves such (latter changed timeline); we've gone through different periods (SES, instructional expert on volunteer basis, etc.). Redesign Plan developed using best practices and components are: Year One—Corrective Action (06-07); Year Two—official planning for restructuring (07-08); research based (state and nationally); and DOE technical assistance (06-07). Franklin Park and Lehigh Elementary may move out of Tier I due to making AYP hopefully this year; plan will be adjusted accordingly. Of the Tier I schools, 100% increased scores on AYP indicators. LAMP has been included under Tier III. Re Mr. Chilmonik's inquiry, gains were very substantial for Franklin Park (as an example); Dr. Browder noted all Title I schools saw substantial improvement. Per Dr. Clark, re growth models/learning gains, there were points. Mrs. Dozier noted that this is a prime example of how NCLB and A++ Plan conflict with one another, as per the questions/examples of Mr. Chilmonik; she noted we've someone's word on NCLB being redone and it's hoped it will happen (Dr. Clark noted hearing this as well). There's work on redesign and additional steps to address with schools re Tier V. Dr. Browder explained that part of the plan is to reconstitute (Michigan) which would allow the clock to start again re things we're going to do (Dr. Clark will start the first day). What's been done in the past—curriculum, administration, etc.—will suffice and is another step in the action plan. Dr. Clark did talk with the Bureau Chief last week, and the latter gave a nod of approval that this will more than address our needs and compliance issues (see District Comprehensive Redesign Plan for Title I Schools booklet, copy on file). It was noted that under the current improvement strategies (06-08), Principal Charlotte Rafferty is the instructional expert for Staff Development. The biggest part of the redesign strategy is the District redesign team (brings Central Service experts and those from high achieving schools); the instructional expert will participate and there'll be monitoring of each individual school (Chapter 2, page 8 of the Plan was referenced for looking at essential questions re accreditation indicators). Dr. Browder noted the Texas peer trip review of schools and he believes it will tie in here. Dr. Clark, along with Principal Bryant, will be involved in activities of reviewing schools as we move forward. (Dr. Clark noted Dr. Browder's reference of choosing an excellent pilot; ours was more comprehensive.) Dr. Clark referenced page 14 of the plan for more information on high school technical assistance. She talked about Chapter 4 and noted mentoring programs which are not required by the state but it's critical to keep teachers in school (the District has two—S.M.A.R.T. and NBCT; some teachers receive compensation for mentoring time). Re the Timelines slide of the PowerPoint, Dr. Clark noted the DOE submission deadline is 3/31/08, with final DOE approval in June/July 08; implementation requirement is the 08 beginning of school year. Dr. Browder noted the District is fortunate to have Dr. Clark/her group, and he's appreciative. Dr. Kuckel expressed thanks and noted we'll get results which will be measured.

D. ADMINISTRATIVE/SUPPORT SERVICES

- 1. Concurrency Agreement/City of Cape Coral** – Attorney Hawkins noted moving this forward (successful negotiations with Cape); it's consistent with the other four discussed at prior Briefing. City of Cape Coral's Planning & Zoning Board approved last week; Cape Coral City Council is anticipated to do the same on 3/11 (same night as District). Dr. Browder noted the one remaining concurrency agreement is Fort Myers Beach, and there's continual work on this (due 4/1); Ms. Hawkins plans to have this at the next Briefing and bring it to the Board for vote on 3/25 (any outstanding issues to be worked out). Concurrency agreements for all municipalities and the County will be in effect 4/1.

E. BUSINESS SERVICES (no items)**F. HUMAN RESOURCES (none)****G. EXECUTIVE SERVICES (none)****H. PUBLIC COMMENT** – Sue Jacobse noted constant amazement re incredible professionals who work for the District at a fraction vs. private sector but take a lot of scrutiny (and report back to the Board); she said some may comment tonight

(their right), not knowing anything (today's great presentations), to inflame but she's out there giving praises. She hasn't come up against opposition in the District but noted a Collier example.

I. BOARD ATTORNEY/SUPERINTENDENT'S COMMENTS – Dr. Browder met with Central Leadership, and the EasyAgenda is on track (it will run parallel the end of March and April with the current). It should be totally electronic by May/June, and all will get trained; it's anticipated the Board will be talked with re training. (Mr. Martin had no comments today.) Meeting was adjourned at 4:33 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

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