



VISION:  
*To be a world-class school system.*

**THE SCHOOL BOARD OF LEE COUNTY – Briefing Meeting / M I N U T E S**  
**Tuesday – November 3, 2008 / 2:30 p.m. (called to order by Dr. Kuckel at 2:30 p.m.)**

**Attendees:** Mrs. Jeanne S. Dozier, School Board Chair  
Mr. Robert D. Chilmonik, Board Member  
Dr. Elinor C. Scricca, Board Member  
Dr. James W. Browder, Secretary & District Superintendent

Dr. Jane E. Kuckel, Board Vice Chair  
Mr. Steven K. Teuber, J.D., Board Member  
Mr. Keith Martin, Board Attorney  
Mrs. Denise Mangus, Recording Secretary

**A. ITEMS WITH GUESTS**

- 1. 2004 Auction Rate Bond** – Dr. Browder introduced Jerry Ford (Ford & Associates, Inc.) and those with him presently—Bob Gang (bond counsel, Gang & Associates); Holly Kuhlman, Glenn Gough, and Dan George (Bank of America). Consensus is sought today for an 11/18 Action item to assist the Board with reducing debt. Mr. Ford met prior with Board Members individually for 1+ hours. Today, Mr. Ford gave a PowerPoint (on file). Items covered included auction rate market. Another section: current issue—existing issue/Series 2004B Certificates of Participation (COPs), auction rate securities (flowchart), turmoil among financial guarantors (Moody's, S&P, Fitch), actual rates on Series 2004B (1/28/04-7/28/04), rates on Series 2004 vs. SIFMA. Current market conditions included historic month on Wall Street (October); volatility fuels flight to quality (Dow Jones Industrial Average and 30-day Commercial Paper for 10/15/07-10/15/08); and 10/3-10/10 credit crisis intensifying in Europe. Next section: course of action—sequence of required events; going forward; financing options; Option 1, Fixed Rate; expected fixed rate (5/1-10/1/08); Option 2, Variable Rate Demand Obligations (flowchart); SIFMA rates since 1989; Option 3, Issuer Edge Program; Issue mechanics (flowchart); options for swap associated with Issuer Edge; and risks. Lastly: recommended course of action—refinance existing auction rate certificates using Bank of America variable rate “issuer edge program”; and enter into three-year interest rate swap with Bank of America or comparably rated counterparty to achieve three year fixed rate.

Mr. Ford noted throughout the presentation: our option rate holders and performance; our rate of 2.87% (low for borrowing). There are not new bidders for securities; holders are stuck with bonds. Moody's changed (two days before going out) rating; disruption of market but good for us not having done our action earlier. Short-term financing has taken a beating but action of government helping. There's a worldwide crisis. Once FSA got into trouble, the conditional notice (to existing certificate holders of intent to redeem) saved us. Re going forward, we have to do something. Re fixed rate, ours would be in neighborhood of 6%. The second option looks like one we're getting rid of except it's backed by bank letter of credit. Third option looks like second but takes away some risk (doesn't put bonds throughout market to investors); no longer at risk if bank's credit rating declines. The challenge is to eliminate market risk (don't have to find buyers); risk is three year. Option 2 is a 3-year letter of credit. Option 2 can back to bank if no buyers (recently, many dumping bonds and these types); bank will charge higher than industry rate if no buyers. Option 3 (.90% rate would've paid anyway re other plans). We have ability (not them) to cancel 30 days notice/no penalty. Three-year swap has lowest interest rate; risk it leaves us with is going out/re-negotiating our rate in 3 years (\$600,000/year and, at 3 years, is significant amount for Board in that time). With Bank of America, basis risk goes away. If entering into a swap, the intent is it remains there for its life. Mr. Ford recommends the Bank of America issuer edge program. Dr. Browder noted he and staff have looked at this and given the circumstances, he would bring a recommendation for the edge program as described. Mr. Ford noted Bank of America is not going around to the state to sell to borrowers; they're doing this because we have our primary banking relationship with them (capital's very important). They only offered this program to one other borrower in the state; Mr. Ford feels appreciative of their offer and relationship with the District. Dr. Kuckel reiterated Board Members spent a significant amount of individual time with Mr. Ford before today.

Mr. Chilmonik noted he has some questions, the first is what kind of return are we getting on our overall investments; Mr. Ford doesn't handle all of this but Greta Campbell noted in the range of 3% (more than that a year ago). His second question was about the possibility of reducing debt—can Mr. Ford explain for all. Mr. Ford noted we can mechanically pay off existing bonds; with a new transaction, we're able. Re practicality, taking cash we have to pay down debt but using to pay lowest cost debt in portfolio (because of low cost capital and we're budget constrained, this is not where we would go). Mr. Chilmonik's next question is about 1/10 of a percent for 90 days—Mr. Ford responded no, explaining that the bank will charge in addition to a significant 9/10 of percent (like a prime loan of prime + .90), the index plus a little less 1%. Re the derivatives Mr. Chilmonik noted difficulty in understanding, bases itself off another's products (to come up with rate); 90% out there on is bad (most derivatives we seen is what we went through). Our biggest risk would be cancel a contract (prior to when it ended, with market rates at now or lower; borrower would lose money and we would have to make them whole). If we chose, e.g., long-term 2026, and put option to call anytime after 3 years and if

rates dropped by a couple of percent and we wanted to cancel, it may cost us \$12-18 million to cancel contract. Mr. Ford wouldn't make the bet that it's never going to change (saying the many years).

Dr. Scricca thanked Mr. Ford for the time spent. Re proposed action/Bank of America relationship, explanation was requested for comparably related counter party. It wouldn't be sole source; they'd have to be competitive. Very realistic, per Mr. Ford (at least 3 would like to step in right now). He prefers Bank of America; negotiation of terms easier, and if loan extended, he doesn't want Board in position re market price. Mrs. Dozier thanked Mr. Ford for sharing and in our past dealings, he's steered to the Board to financially secure recommendations; she's comfortable to direct the Superintendent on bringing forward the Bank of America option Mr. Ford recommends today. Mr. Teuber thanked Messrs. Ford and Legutko and Bank of America; he feels it's a collective effort. We can't have the burden on taxpayers. There's been a lot of effort and it's a very conscious decision on the part of Bank of America (it's not out there for others). Mr. Teuber was learning towards Option 3, and he's glad it's the preference of Mr. Ford. Mr. Teuber is appreciative; it's hard to be enticed by any of the solutions as the economy's not good but we've a difficult situation in protecting our money, with hopeful improvement. Dr. Kuckel noted consensus from Board Members to move forward; she's grateful for Dr. Browder, Messrs. Ford and Legutko having these things come before the Board. She noted in Mr. Ford's eight years' work with them, he hasn't failed. It's very complex.

Dr. Browder noted not hearing consensus from Mr. Chilmonik, he wants to make sure he clearly understood. Mr. Chilmonik noted being tentative going to the option (market at time of swap); his other concern is fees paid for transactions: \$200-250,000. It was explained this is lower; we won't have underwriting (no rating fees; not paying bond insurance). Bank is in business of making loans; Mr. Chilmonik questioned where Bank makes their piece. Mr. George noted this solution presented to the Board; it's a very challenging time, and Mr. Ford did a commendable job. Mr. George explained it's as much risk reverse we can get for the current situation; the transaction contemplated is that the will buy it on his desk—at SIFMA and .90. He'll own it on his desk (he funds in a circulation vehicle—it's his risk/responsibility). Mr. George expects to fund it to his fund in money (he'd earn SIFMA + .90 and 10 points). He has hope over the next 3 years tax-benefit profit; his risk is a Bank of America credit letter). It's turning taxable fee income (which we would've paid) into tax exempt income (he takes risk and it's his credit rating). Mr. Ford noted to Mr. Chilmonik that if looking at the difference in fees (long-date swap vs. 3-year fee), a lot of profit in transaction goes away as well) but bank exposed to risk, as we are during outstanding time of swap (shorter the swap, lower the spread). Mr. Chilmonik has concerns not getting his whole hands around; he does understand how bank is making their money.

2. **AVID Update** – Mr. Spiro noted AVID is a college readiness program created in 1980 by a San Diego teacher; it has a schoolwide approach to curriculum—increases rigor inside all subject areas and puts college atmosphere on subjects (all students). AVID has many first-generation bound for college (level 2/level 3 FCAT students before enrolling—2.0+). AVID class occurs during regular school day while enrolled in Advanced Placement (AP) course or highest level course school has to offer. AVID teacher provides support as well as college tutors (current efforts with FGCU to have tutors inside classroom). Students voluntarily enroll/apply; there's a mandatory parent night to hear about program night (187 + 160 showed up; Drs. Scricca and Jones attended). Students write an essay after deciding for applying/presenting to AVID site team (open-ended questions/assigned scores) from all school departments. Across the nation, AVID students (98%) go onto some sort of post-secondary institution (2 or 4 year). AVID supports cognitive complexities/higher level thinking, supports FCAT skills and rigor taking AP exam; these are skills wanted for students during high school years. While at Lehigh Senior High, having every student qualify is a big change; there's training for all faculty (teachers during pre-school week and once monthly for AVID strategy sharing). It's exciting to see AP courses (1 offered initially, 4 last year, 6 this year, and 9 slated re AVID). Mr. Spiro's thrilled to be the first Lee County high school; he thanked Dr. Jones for the support and Dr. Browder for bringing the contractor to the Board. He thanked Dr. Scricca for being the East Zone voice. Principal Spiro introduced teacher Amanda Bergamasco (her husband's an educator also).

Mrs. Bergamasco loves AVID and feels fortunate to teach; she has high expectations of students—every AVID student must have a 4" binder with all subjects (to carry at all times). Students are to take notes whether or not teacher expects (they review/write summaries from notes); all binders contain agendas/calendars to fill out daily. She expects all to be role models within school (her AVID students beat traditional honor students); they're not allowed to get in trouble (otherwise, AVID probation). Students are allowed to ask hard questions of teachers (there's concentration on level 2/level 3 questions). SAT words are practiced daily and there's the expectation of student to use daily in writing or conversation. Mrs. Bergamasco has tutorials twice weekly in her class; they work in 6-7 student groups (professor guides). It forces a student with a problem to think smarter about a concern in class, leading to inquiry-based learning. Her door is always open any time; they to "AVIDize" school. Students are the stars, inspiring others. One 10<sup>th</sup> grader—was C/D/F student now has a C and B; in her AP class, she had 90—1 of only 2 A's. There's nightly reading of about 20

pages; student speaking today will be first-generation college student in family and she's looking into scholarships. It has changed her friends and things looked at socially. One of the AVID students was ready to drop out prior to this program; it brings a willingness to do work as well as self-confidence. Jana Humbruch is the District coordinator. The News-Press is going to do an article, with a cam/videographer to be brought out. Feeder schools (8<sup>th</sup> graders) are Lehigh Acres Middle and Varsity Lakes. Mr. Spiro was thanked again. Dr. Scricca noted identifying important components of AVID: individuals' determination and what she means is individual dignity. Success will be achieved and these students are no longer level 3 but AVID students. Children have much to tell; Dr. Scricca noted the Bonita Leadership took this in hungrily. She'll be speaking to Lehigh Community Council and is inviting Mr. Spiro to join her. The leadership of this program was acknowledged as well as the student's mother present today. Mr. Teuber noted this program as 'wow' and suggested this student do a PSA for the District. Cognitive complexity is taught in Asia. Mrs. Dozier noted great job and good luck. It was asked how many are in the program: 200 students enrolled (100 ninth-graders and 100 tenth-graders, with a waiting list). One has to have AP or highest level course for subject area (could be honors in 9<sup>th</sup> grade). AVID meets daily (Lehigh Senior is still Center for the Arts). There's partnering with community members as well; opened up to Edison, Hodges, etc. (tutors should be in place within the next week or so). There is much work besides what principal does daily to make this program work. It's keeping the main thing the main thing—student achievement. The Board likes to see monitoring/to see how successful programs are; Mrs. Dozier asked about such a mechanism (after students out of the system). Mrs. Humbruch noted there's evaluation under the grant; hard core facts are desired to measure student success. Dr. Browder noted we'll bring it back, and talk about AP development in 7<sup>th</sup> and 8<sup>th</sup> grades. Mr. Chilmonik recommended to the student today the book "For Whom the Bell Tolls" by Hemingway. Mr. Spiro appreciates the time today and that it's not a principal initiative but schoolwide.

## **B. BOARD MEMBERS**

1. **Special Areas of Board Involvement / Reports** – Dr. Kuckel asked this be at the end of agenda today (due to guests).
2. **Proposed School Calendar for 2009/10** – Mrs. Dozier thanked the unions, Drs. Jones and Adkins (89 days first and 91 second semester but all okay now). Everyone was complimentary of what put together; there were a couple of different straw designs (unanimous except for one). Dr. Scricca was thanked attending a meeting as well as facilitators. It'll be coming forth as a recommendation unless a big objection (none). Dr. Kuckel noted to contact Dr. Browder for questions.

## **C. ACADEMIC SERVICES**

1. **GED Update** – See copy of PowerPoint on file (presenters Dr. Jones, Mavis Pacetti, Sue Roshon). Re post-secondary, traditional routes aren't necessarily taken and adult ed is pretty big. Ms. Pacetti talked about 5,000 students served over last 2-3 years; the program's considered adult general (100 teachers, located in most area high schools). A little turndown in ESOL is starting to be seen but there's an upline in GED usually seen. Leisure classes will be looked at in order to be made more competitive. There are GED pre-sites (12 schools but 6 other locations); there's the youth build/tri-county apprenticeship program. Ms. Pacetti has seen historically (29 years) that when the economy's booming, there's a slight turn down in GED but when times are tougher, students know they need diploma to be competitive for jobs. Fast track program started last year; it grabs high schoolers that would be lost but are now given services to be successful for passing GED (some guidance and workforce-readiness skills given). One has to be 18 to take GED unless special provisions granted by the District. Dr. Browder noted these help reduce dropout rates but uncounted in graduation rate; he feels all efforts should count around graduation rate (much time spent to help them be successful). Mr. Chilmonik questioned about putting this on the legislative platform; Dr. Browder noted he and the Commissioner of Education spoke Friday and they'll have opportunity to talk face-to-face. It's felt by some that in getting graduation rates consistent, they don't want to count GED. DOE is behind in scoring the September test but most—who don't pass—come back and re-test; they can take any sub section (after full battery taken). To help, the District recommends coming back to remediate. If reading passed, greater chance with science social studies (it's math and writing that may give more difficulty/not unique to Florida and no matter the age group). People can come in off the street and see if they can pass the test. Re Dr. Scricca's question, there's encouragement to take free class before paying for the test.

## **D. ADMINISTRATIVE / SUPPORT SERVICES**

1. **Change Orders / October** – there were no questions (back-up on file with minutes' packet for information).

## **E. BUSINESS SERVICES** – none

## **F. HUMAN RESOURCES**

1. **Health Insurance Update** – Dr. Adkins noted re-opening benefit bank part of discussion; SPALC and TALC require us to revisit District's contribution to benefit bank and consider changes in 09/10 year. Discussions convened; folks came to

the table re compensation in general but specific to insurance. Susan Strong pulled Miami-Dade study which took 8 largest districts in state; Lee continues to contribute most (next is \$76.48 less). Utilization of health insurance was talked; there five meetings in the spring but negotiations were suspended in that the Insurance Task Force could meet over the summer and come with options to discuss cost-reduction strategies. SPALC had a number of very specific concerns; they brought up out-of-pocket moved to 706 to 118 plan. Blue Cross/Blue Shield came back with HMO 10. Ms. Strong went over the history; we're self-insured with Blue Cross/Blue Shield as third-party administrator. We stayed fully insured 4 years but decided in District's best interest to be self-insured. When self-insured, administration fees are 5-6% (small employers have 8-12%); see back-up information on file. Mr. Chilmonik questioned premium charts and the trend this year—migration from one plan to another/a spike. There was unexpected increase in high-cost claims, separating us from other districts (we're double). One other district offered four plans but most do two. There are close to \$1 million on unused benefit dollars—some who have don't use (might as well stay in plan). Re Mr. Chilmonik's question (re Lee Memorial), if going through PCP/specialist for out-of-network, then covered as in network. Dr. Scricca asked about research of other districts' costs/claims; Dr. Browder noted we've looked at actuarial claims (e.g., coalition/consortium), and actuarial looks at data from all over the state. We're going into disease types and after we know, focus wellness program in those areas. Blue Cross/Blue Shield has given data (health information is protected). They'll see if wellness program having impact. Dr. Kuckel commended the Insurance Task Force, Ms. Strong, and Dr. Adkins. Dr. Browder requests that he have permission (yes) to bring this evening as Good Cause item for TALC, SPALC, and salary schedule N; administrator group will be studied the next several months. Several administrators talked with throughout District and it was felt by the group to wait at fed/FTE and then come back. District administrators are looking first to employees and inside the budget situation inside the state and nation. He'll have a statement re administrators; noted thanks also to Dr. Adkins, Ms. Strong, and the bargaining units. Dr. Kuckel thanked the News-Press for the editorial on the raise.

#### **G. EXECUTIVE SERVICES**

1. **Policy 4.141, Bullying and Harassment (new 11/18)** – Sent to DOE as part of requirement to see if criteria met; we received Friday and our graph given seal of approval. The next step is public hearing at Action for approval.

#### **B. BOARD MEMBERS** (cont'd.)

1. **Special Areas of Board Involvement** – Mr. Chilmonik noted he and Dr. Scricca's attending the forum at Hodges for Hispanic leadership/diversity re elected bodies (News-Press was host); he commended David Plazas. He noted a strong emphasis on civic courses/government. There was interesting topic of putting help together for the economy observed at this week's Editorial Board Meeting. He noted the upcoming 11/11 Veterans Day event and run (students can participate). Mr. Teuber noted the Board's attendance at the Red Ribbon Lunch which was well-attended and with pride; great efforts there and accolades to high-caliber individuals in the District. Mrs. Dozier noted items involved in are reactive; she went to social norming theory meeting brought by the District's Jean Campbell, and thanks given for bringing this group together. We have the possibility of doing on a greater scale (things to help students keep on track); more information to come out is anticipated. Mrs. Dozier met with the Continuous Systemic Improvement Board advisory committee (formerly Compliance). Dr. Scricca reiterated the Red Ribbon event; it was very impressive with so many students recognized. At Hodges, she was impressed with the forum and she has taken the liberty to write to few participants so as to be a liaison. Dr. Scricca mentioned the possibility of a naturalization ceremony on one of our high school auditorium stages. Dr. Kuckel noted all we can do is make a difference, re the Insurance Task Force. She attended the Substitute Teachers Association professional development day where appreciation was expressed from all. Dr. Kuckel's been meeting with Bonita Council members individually as a welcoming/cooperative effort.

- H. **PUBLIC COMMENT** – Paul Van Valkenburg (Bonita resident/ACLU Florida volunteer) noted freedoms of constitution; ACLU contacted re bully policy (to be enacted 12/1) re having characteristics and traits—sexual orientation/gender identity. U.S. Supreme Court though to understand what's prohibited to enumerate list. Sue Jacobse noted the amazing AVID program and student; great when raising the bar, and she feels everyone in District works hard re student achievement. Mrs. Jacobse noted National Jr. Honor Society brought up unsaved bridge—East and West Terry Street/Old 41 in Bonita. Donna Mutzenard thanked the Calendar Committee and facilitators who worked together; there were straw designs in place at the second Insurance Task Force Meeting. Great, hard-working community for many years who look at data. Employees will have to open up Open Enrollment packets and read this year to make the best informed decisions for them as well as their families; she feels a lot of good changes made to HMOs. Dr. Kuckel noted we can send mass e-mails.

- I. **BOARD ATTORNEY / SUPERINTENDENT'S COMMENTS** – Mr. Martin addressed an item of the ACLU volunteer public speaker; we already have policy for race and sexual (re the speaker's requesting the same listing be in the bullying/harassment policy); Mr. Martin doesn't have concerns because the draft prohibits bullying. Also, re protecting first amendment rights of students—any time a principal imposing discipline involving statement by students, he and Staff

Attorney Dodig are well versed. Separately, Mr. Martin had sought (with permission) Attorney General opinion on utility employees—re Jessica Lunsford Act—coming on school grounds (non-instructional contractor subject to Florida Statutes); must comply with successful background screen, full escort, or behind 6-foot chain link fence when there's students (will be addressed with utility companies). Dr. Browder noted appreciation of this really good meeting with much information; he's pleased with the processes laid out. Dr. Kuckel noted appreciation for what he brought. Meeting adjourned at 5:20 p.m.

/dwm

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ATTEST:

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

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

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