



THE SCHOOL DISTRICT OF LEE COUNTY

Finance Advisory Committee

August 24, 2011

Meeting Minutes

Committee Members Present: BJ Brundage, David Deetscreek, David Hall, Richard Hart, Susanne Quattro, Chuck Reynolds, Tamisen Traiger

Committee Members Absent: Nicholas Alexander, James Beaudin, Thomas Busatta, William Genter, Kathy McMichael, Cathleen Morgan, Maggie Silva, Robyn Thomas

Lee County School Personnel Present: Dr. Joseph Burke, Dr. Ami Desamours, Mr. Reggie Snell

Board Members Present:

Recording Secretary: Sarah Cox

Welcome

Meeting called to order at 4:43 p.m. by David Hall.

Approval of Minutes (5/25/2011)

David Hall called for approval of the minutes, moved by Susanne Quattro, seconded by Rick Hart. Sarah noted a correction on page two. Minutes passed unanimously with correction.

Public Comment

None

Board Member's Report

Dr. Joseph Burke explained he was attending the meeting in place of Dr. Kuckel. On behalf of the Board, he thanked the Committee for the time they give. He spoke of a newspaper article reporting a \$22 million cut in the District's budget. He clarified that this loss does not result in cuts to personnel or affect the classroom. The \$22 million referred to was cut from the capital budget.

Dr. Burke touched on another subject in the media – School Choice. He stated a presentation was shared with the Board on neighborhood schools and based on this presentation there are potential savings in transportation between \$4.5 and \$6.5 million. If the District were to shift to a neighborhood school model, challenges would arise with class size requirements and access to programs, such as special education, fine arts, IB, and so on. The District will evaluate the benefits and costs associated with each option.

Dr. Burke shared with the committee that the District experienced a little over 2% reduction in property tax revenue due to declining property values. A significant portion of funding comes from property tax revenue. Sources of revenue at the state level are not increasing either and are not expected to. This presents another challenge for next year with rising costs and no net increase in funding.

Dr. Burke opened the table for questions. Tamisen Traiger stated she heard about a petition group Jeanne Dozier is trying to get on the ballot, that if the state is going to mandate, they should provide the funding to go with it. She asked Dr. Burke if he anticipated that going forward. Dr. Burke confirmed Mrs. Dozier's efforts and that it is part of the District's legislative package which was Board approved on Tuesday. There is a consortium meeting on Friday consisting of southern coastal counties and he is hopeful they will endorse the petition and include it in their legislative packages as well. He believes Mrs. Dozier's intent is to bring attention to the issue on a constitutional level.

BJ Brundage brought up discussion from the Committee's last meeting regarding their purpose and duties. David Hall asked Dr. Burke how the committee could help him and the District in their advisory role. Dr. Burke stated the expertise that each individual brings can help with issues. Most importantly, he looks to them to give clarifying messages to the community regarding issues, particularly issues in the media and affirm the quality of work staff does.

Susanne Quattro stated someone asked her why "top brass" were meeting at South Seas Resort. Dr. Burke clarified it was not "top brass"; it was a group of teachers which was funded by the National Education Association. He confirmed that no local tax money was spent. David Hall, who is on the Board of the Foundation for Lee County Public Schools, added further clarification that this meeting at South Seas was related to golden apple recipients. They come together to look at and research best practices, the quality initiative, and other things. Susanne Quattro suggested having a PR person to clarify the assumptions made by the public and to relay the facts. Dr. Desamours reinforced this is why the District needs ambassadors to relay this information.

David Hall spoke of initiatives the committee has tried to push, such as saving money and increasing revenue, but these initiatives have not had a lot of fruit to them. One issue he believes is the lack of attendance by the Board liaison. Dr. Burke made note of this.

David Hall asked about the ten day county; is it a certain date for every county or the actual tenth day of school? Dr. Desamours clarified Lee County uses the tenth day of school count to gauge FTE projections and adjust school allocations. The formal state count is every 20 days. This is when we report enrollment to that state. There are also formal FTE counts that are in February & October; these counts are what the District receives funding on. Dr. Desamours noted that ten days into school the District is approximately 900 below their FTE projection, which is a

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positive signal at this point in time. The District's total FTE projection is 82,755. This projection is the target for when the first formal FTE count is taken in October.

David Hall stated the largest contribution, he believes, the committee made was recommendations to the Board to be prepared for the recession a few years ago. He stated Lee County is still in a recession and that there are approximately 20,000 to 30,000 empty homes. What would happen if 10,000 families suddenly moved into Lee County? He suggested having plans in place for this type of scenario. Dr. Burke encouraged committee members to have dialogue with Board members regarding this scenario, since there is a lot of talk about vacant land owned by the District. Susanne Quattro made a point that there are no jobs in Lee County for that influx of people. Dr. Burke stated he was at FGCU earlier in the day having a similar conversation about the lack of jobs. He noted there is going to be a summit on education and how it relates to the workforce on October 5th at the Hyatte Regency in Coconut Pointe from 7:30 a.m. to 1:30 p.m. There is a \$50 registration. Dr. Burke stated the only two industries with an increase in jobs, despite the recession, are healthcare and education.

David Deetscreek stated he could get information out for the District as he sits on many organizations in the Lehigh community. He can ensure that at least two minutes of every meeting is dedicated to providing information. BJ Brundage agreed with this effort and that she would be able to do the same. Dr. Burke stated the District would be happy to put together information for the committee members to relay to other organizations and essentially the community; he stated he would also be happy to talk to any group. BJ Brundage suggested having facts of the month; the Committee could share these with other groups that they meet with or their co-workers.

Maintenance & Construction

Dr. Desamours introduced Reggie Snell, Director of Maintenance & Construction. He spoke of his area from a financial and economic perspective noting the following.

- He & his staff manage a budget for new construction, remodeling, and maintenance rotation projects equaling \$127,843,005.
 - Maintenance department has a budget of \$18,162,536.
 - Overall he and his staff manage a budget of \$146,636,000.
 - The new middle school "LL" has a project cost of \$34 million, which is essentially being pumped into the economy.
 - Mr. Snell made a point that when Dr. Browder, former Superintendent, managed the Maintenance Department, in the 1980s, there were half the facilities that exist now and there were 50 more people in the Department than there is now.
 - There are 150 filled positions in the Department, but 160 are budgeted.
 - Maintenance Department is responsible for over 100 facilities on a daily basis.
 - Construction Department, who has over \$85 million under contract, is handled by 12 people.
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- He noted the District has the two biggest construction projects in the County

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right now, elementary "G" and middle "LL" scheduled to open in August, 2012.

- All new schools are prototypes, which saves on design and building costs.

Reggie Snell opened the table for questions.

David Hall asked if classrooms are built to comply with the Class Size Reduction Act. Mr. Snell responded that the District has to comply with State Regulations for Educational Facilities (SREF). SREF gives you square footage requirements. Total square footage is 125,000 for elementary, 177,000 for middle, and 277,000 - 300,000 for senior high. Per square foot cost is between \$158 - \$165, approximately \$40 - \$50 cheaper than Collier County.

Susanne Quattro asked if the District has had any problems with Chinese drywall. Mr. Snell responded no. The District uses a 5/8 inch drywall and the Chinese drywall that was in question was 1/2 inch.

Mr. Snell briefly spoke about contractor fees and how the District keeps them as minimal as possible. He noted that at the end of large jobs, an external firm performs a job costing audit.; smaller jobs are audited by the District's Internal Audit Department.

David Deetscreek stated he is Vice Chair on the Lehigh Economic Development Board and many businesses, small and large, ask what the school system is like. He would like to get more information to share with these businesses.

FY12 Budget

Dr. Desamours ensured everyone received the *FY12 Tentative Budget Book* via mail. She opened the table for questions regarding the book; none were asked. She stated the final budget will go the Board for approval on September 13, 2011. Once approved, the final budget book and Board presentation will be mailed to Committee members.

Good of the Order

Dr. Desamours recapped previous discussions of the meetings. She suggested everyone email to Sarah Cox other committees or groups they serve on. At the next meeting, the Committee can decide what information to provide in their monthly messages.

The meeting adjourned at 6:00 p.m.

The next meeting is scheduled for September 28, 2011 at 4:30 p.m., in the HR Community Training Room located at 2855 Colonial Boulevard, Fort Myers, Florida.