

04 11 2017 Work Session 9 00 AM

## NEW BUSINESS

### 1. [9:00 - 9:20 AM School Board Comments](#)

#### Minutes:

Ms. Reynolds and Dr. Michael Akes, Chief Academic Officer, attended the Central Florida Public School Boards Coalition meeting on Monday, April 10th. One of the things discussed was a marketing technique being implemented in Orange County. Their website displays a school rating system that shows quantitatively and qualitatively each school's performance, the academies offered at each school, and other information such as athletic achievements, etc. The results are streamlined and available in a single location. The data is updated automatically. Seminole County is working on a similar project that will be presented at next month's Coalition meeting. Ms. Reynolds suggested this as a way for the school district to advertise the schools. She also commented on the meeting in Tallahassee with Representative Colleen Burton where they discussed the overall differences of what traditional public schools versus charter schools are facing. Representative Burton asked if a list of the rules was available. Ms. Reynolds requested a compilation of the differences between public and charter schools that could be provided to legislators. Mrs. Fields commented that has already been accomplished. The Superintendent will make sure this is provided to Ms. Reynolds.

Mrs. Cunningham discussed the recent trip to Tallahassee where the school board members met and spoke with legislators. She commended Mr. Harris for the work he has done as President of the Florida School Boards Association to educate new school board members as well as disseminate information for all school board members. She also commended Wendy Dodge, Government Affairs Liaison, for the time and effort she invested to facilitate meetings with several legislators, such as Senator Simmons, the Appropriations Chair for the Senate. She added that she looks forward to working with the legislators to advocate for public education.

Mrs. Sellers commended Ms. Dodge for her continuing efforts to educate legislators of the consequences that will be experienced with some of the bills that are proposed. She commented that Ms. Dodge has an immense amount of knowledge of what is happening in the Legislature.

Mrs. Fields commended Wendy Dodge and stated she is well respected by her peers and by the legislators. Mrs. Fields commented it is time to begin looking at the contract for the Superintendent. She asked Wes Bridges, Counsel for the Board, when that needs to be done. Mr. Bridges commented the process can begin now.

Mrs. Fields suggested this topic be discussed at the April 25th work session because the Superintendent's contract expires on June 30th. Mr. Bridges stated his office should be able to have a draft of the contract available at the indicated work session. Mr. Harris commented there should be something beyond a draft at the next Board meeting because otherwise it will fall within the 60 day window. Mr. Bridges commented the legal office will have a document prepared for the meeting on the 25th and he explained that the parties have a right to flex the 60 day window by agreement. Mrs. Fields commented she would like to have a discussion about the 60 day window in the contract.

Superintendent Byrd informed the Board that one of students from Tenoroc High School, Brandy Szanyi, passed away and her softball jersey was retired. Brandy's father is one of the softball coaches at the high school.

## BOARD AGENDA REVIEW

### DISCUSSION ITEMS

#### Item 2

##### 2. [9:20 - 9:30 am Roosevelt Academy Update](#)

Attachment: [Roosevelt Academy - SB Work Session \(April 11 2017\).pdf](#)

Minutes:

Dr. Kimberly Steinke, Associate Superintendent of Learning Support, provided an update regarding the future of Roosevelt Academy.

Mrs. Cunningham stated that Roosevelt's Principal, Debra Edwards, is due to retire and asked if there would be some transition time between the current administration and when the new principal begins. She elaborated that she thinks the timing is very important especially if someone else is brought in for the position. Superintendent Byrd explained that she met with the team and they are having discussions about this issue, particularly trying to provide some overlapping time.

Mrs. Sellers asked if there will be any staffing issues with the allowance of non-disabled students. She also asked, if non-disabled high school students are attending, will all of the academic classes be offered. Dr. Steinke stated the classes will be there and there will be no staffing issues. She also commented that the students that are already attending must meet the same graduation requirements even though they are disabled.

Superintendent Byrd commented she will keep the Board abreast of information as it becomes available regarding Roosevelt Academy.

#### Item 3

##### 3. [9:30 - 9:45 AM Contract For Financial Advisor, Finance, \\$TBD](#)

Attachment: [Ford Contract 04 11 17.pdf](#)

Minutes:

Michael Perrone, Chief Financial Officer, asked the Board for direction to create a contract for a financial advisor. The District is currently not under a contract for that service. It is not a service that needs to be bid. It can be a direct negotiation or a Request for Proposal (RFP).

Mrs. Cunningham stated it is her understanding that the School Board has used Ford and Associates in this capacity through the years. She said she would like to know the staff recommendation. She asked Mr. Perrone if he is pleased with the work Ford and Associates have been doing or would he rather do an RFP. Mr. Perrone commented services with a financial advisor only occur when a deal becomes available or if there are changes in the market that would benefit the District. He also stated there are only a few financial advisors in the state and he has worked with most of them. He explained that sometimes the philosophy is different but he has not experienced any issues with any that he has worked with.

Mr. Wilson commented he would prefer Mr. Perrone go out for an RFP or Request for Quotation (RFQ) at his discretion. He stated he is concerned about the derivatives. He elaborated that when the

District entered into those contracts that was the right thing and well intended for the District at that time. There is no exit strategy or plan to remove the variable rate instruments that are labeled as derivatives and under the right economic conditions those could be detrimental to the school district. A second group came to the Board with a plan to help extinguish some of those and he wonders why. He believes the group did it because they understand that most school districts have those on the books and are looking for a way to get out of them. He would like for there to be a discussion with other groups because these are very costly as far as additional legal costs attributed to the requirement for specialized accountants as well as preparing the year end calculations for the financials and journal entries. Mr. Perrone commented it is difficult and confusing but he is unsure of the cost. Mr. Perrone also commented on additional contract for a swap advisor for the entry of the CAFR. Mr. Wilson would like to know if any of the state colleges have this sort of derivative and if they have an exit strategy or long term plan. Mr. Perrone commented Pasco has a similar type of investment and they went out for an RFP in 2012 or 2013 with the intent to lower that and they did significantly because they saw the importance of an exit strategy.

Mr. Harris commented that this was a common financing process at Lakeland Regional Medical Center. He asked if any direction has been given to Ford and Associates to have them look at a different route other than the derivative route. Sometimes they have been financially positive for the District but they should be designed to take advantage of market shifts. He compared it to taking out a variable rate mortgage on a home. He commented he is unsure if services with Ford and Associates should be discontinued, especially if they have not been notified that the Board would like to look into divesting from derivative financing. Mr. Perrone commented he discussed bringing forward any opportunities that would benefit the District with Mr. Ford.

Mrs. Fields commented she is unsure how long the District has been doing business with Ford and Associates, since it was before she joined the School Board, but they have never offered advice that would be detrimental to the District. She stated the Board should discuss with them what direction the District wants to go in and then, if they cannot fulfill the needs, a search can take place. She stated if there have been problems with Ford and Associates, there should have been discussions to explain what the concerns were and take it from there. She commented it is the Board's responsibility to make sure they have a financial advisor that can take care of the great responsibility the Board Members have as it relates to the resources available. She does not feel that the Board is in any position to shift at this time.

Mrs. Sellers stated she has a great deal of confidence in Ford and Associates. She commented if other financial advisors are out there looking, is there any reason why Ford and Associates could not bring forward those opportunities.

Mrs. Cunningham asked if the key elements being discussed have been identified in the contract. She also asked Mr. Perrone if he is concerned that Ford and Associates have not come forward with financial opportunities when other companies have. Mr. Perrone said he had some concern with the last transaction when PFM suggested an opportunity to exhaust derivatives and Ford and Associates did not agree.

Wes Bridges, Counsel for the Board, commented there can be differences in business judgment and different suggestions from different advisors. He commented the reason this has come before the Board today is that Mr. Ford has asserted that under rules that govern financial advisors that if he is to provide certain financial advise to the District he needs some sort of contract or document that authorizes him to do so pursuant to his regulatory environment. Mr. Bridges commented he was not previously aware of this request but does not contest this suggestion. Mrs. Cunningham asked under the aforementioned situation, if the District had another financial advisor approach the Board and they accepted their advise, would this contract have precluded the Board from taking action at that time. Mr. Perrone commented the currently proposed contract would have likely negated the opportunity to take action. Mr. Bridges commented the contract states Ford and Associates are designated as the District's municipal advisor. It does not say exclusive although that could be argued. He also commented language could be added that states this is not an exclusive contract. Doing so would not foreclose an opportunity to make a deal with another company if the Board chose to do so.

Mrs. Fields asked how long the District has had this proposed contract. Mr. Perrone stated it was

received in November. Mr. Bridges commented that Mr. Ford has been in conversation with the District for some time. He explained that contracts come before the Board when there is a recommendation to enter into one. Staff did not believe there needed to be a contract but Mr. Ford is requesting one and, if the Board also wishes to have one, this one can be used.

Mrs. Fields explained that this information is not fresh. She commented this contract has been sitting for a while and she does not believe the questions that have been posed have been discussed with Mr. Ford. Mr. Bridges commented this request was made some time ago but no recommendation has been brought forward.

Mr. Wilson commented it is good business practice to periodically do an RFP or RFQ to provide opportunities for different perspectives. He commented in his discussions with Ford and Associates they have no interest in extinguishing the derivatives, contrary to discussions he has had with other financial advisors. He elaborated the Fords' opinion is not consistent with what is typical in the industry. He reflected on PFM's suggestion to exhaust derivatives where the Fords were hesitant to move forward on the recommendation.

Mr. Harris stated that, if the \$40 million revenue stream from the half cent sales tax is lost at the end of December 2018, the District faces the strong possibility that the only way they will be able to finance construction is by borrowing the money. He thinks it is incumbent upon the District to have a contract with a financial advisor.

Ms. Reynolds agrees there should be a contract but she believes it is best business practice to periodically evaluate the businesses providing the services and let them compete to be the supplier.

Mrs. Cunningham agrees with bidding the contract out. She asked if Mr. Perrone has the time and resources to go through the RFP or RFQ process. Mr. Perrone stated there are alternative ways to proceed that would require less work.

Mrs. Sellers commented that Mr. Ford has the ability to explain things on a level that is understandable.

Superintendent Byrd asked for a consensus from the Board to enter into a contract or proceed with an RFP or RFQ.

Mrs. Fields stated she is not in agreement and commented if it is not broken why should the Board fix it. She stated she believes the whole story has not been told.

Mr. Wilson stated he is in favor of an RFQ and asked Mrs. Fields if she could elaborate on her statements.

Mrs. Fields said she finds it troubling that a contract has been floating around for a while, longer than a few months. The School Board has been doing business with Ford and Associates for years. Out of respect for the time they have given the Board, if there is going to be a shift in direction, a discussion should be held with them to explain the Board's needs. She commented their contract has not been acknowledged and no one has made any effort to make the company aware of the District's concerns.

Mr. Wilson commented it is very typical in that industry to pursue an RFQ, therefore, this should not be offensive to Ford and Associates.

Mr. Bridges discussed the possibility of developing a contract with a non-exclusivity statement. Mrs. Cunningham commented this information should be a part of the RFQ process. Mr. Bridges stated the District does business with different banks and invests in different commodities and this should not be a problem as long as the contract is not exclusive.

Mr. Harris compared this process to going to the doctor and seeking additional opinions until you get the answer you want. He stated at some point you must decide whose advice you are going to follow. He commented on the importance of trust in the relationship with a financial advisor. If your financial advisor is not someone you trust, an association may be needed with someone else and exclude them. He is unsure that having multiple people on the list, all knowing that you might not take any of

their advice, would enhance the relationship so there is reciprocal trust.

Mr. Perrone commented that PFM approached him and said that there was a possibility for a savings of nearly \$750,000 with one of the traditional 2010 A Series COPS and asked for permission to solicit banks to confirm that. The results were that there would be a little over \$800,000 in savings. He would like to know, what direction (either RFP, RFQ, contract, or no action) the School Board Members would like him to take.

Mr. Harris asked if Ford and Associates argued the opposite. Mr. Perrone commented that Ford and Associates have the ability to watch the District like the other banks and financial advisors are doing and present those opportunities themselves. He discussed this with Mr. Ford when the contract expired and stated they would not initiate another until some decisions were made. He also encouraged Mr. Ford to bring forward any information that might be an advantage to the District. At that time, Mr. Ford had replied that he could not do that because he needed a contract. Mr. Perrone stated that PFM is providing the information and they do not need a contract.

Mr. Harris commented that PFM is trying to get their foot in door. Mr. Wilson commented PFM has made some good recommendations to the District. He stated there is nothing wrong with seeing if there are other financial advisors that can do a better job. He commented it is part of the make up of the industry to constantly identify ways to improve the financial situation. He commented School Board Members have a fiduciary responsibility to do the best they can for the School District.

Mr. Perrone commented if the financial transaction moves forward, it will be presented by PFM at the next School Board Meeting. It does not obligate the District in any way to them.

The majority consensus of the School Board is to allow Mr. Perrone to move forward with an RFP or RFQ for a financial advisor and move forward with the opportunity for savings of \$800,000.

#### Item 4

#### 4. [9:45 - 10:00 AM 2017-2018 Charter School Projected Enrollment](#)

Attachment: [WS-Summary-2017-2018 Projected Enrollment.pdf](#)

Attachment: [Copy of Projected Enrollment Worksheet 2017-2018.pdf](#)

Minutes:

Superintendent Byrd discussed her request to have Melissa Brady, Director of Charter Schools, provide detailed comparisons of the PTM for 2016-2017 to the actual student enrollment for 2016-2017.

Mrs. Brady explained that charter schools designated as high performing by the Commissioner of Education have the right to request to increase their enrollment annually until the building capacity has been reached.

#### Chain of Lakes Collegiate (high performing)

- Request to increase enrollment by 10.
- Currently at capacity of the approved number last year.
- Recommend approval

#### Cypress Junction Montessori

- Request to add 7th grade according to their approved contract (currently K-6).
- Request to increase enrollment by 22.
- Currently near capacity at 135 out of 138.
- Recommend approval.

#### Discovery Academy of Lake Alfred

- Request to decrease enrollment, due to non-compliance for class size limitations resulting in \$100,000 in penalties. They are now in compliance.
- Recommend approval.

#### Discovery High School

- Request to add 11th grade (Currently 9-10).
- Request to increase enrollment by 250.
- Currently below capacity.
- Recommend denial of 250.
- Recommend approval of 150 (for roll up).

#### Lake Wales High School

- Request to increase enrollment by 30.
- Currently below capacity.
- Not a high performing charter school.
- Recommend denial.

#### Lakeland Montessori Schoolhouse

- Request to decrease enrollment.
- Recommend approval.

#### Magnolia Montessori

- Request to increase enrollment by 5.
- Currently below capacity.
- Recommend denial.

#### McKeel Academy of Technology High School (high performing)

- Request to increase enrollment by 125.
- Recommend approval.

#### McKeel Academy Central (high performing)

- Request to increase enrollment by 20.
- Recommend approval.

#### Our Children's Academy

- Request to increase enrollment by 10 (to add 11th grade).
- Currently below capacity.
- Recommend approval

Note: Our Children's Academy is rebranding their school and will be presenting the information to the School Board in the future.

#### Polk State Collegiate High School (high performing)

- Request to increase enrollment by 15
- Currently at capacity.
- Recommend approval.

#### Lakeland Gateway Charter High School

- Request to increase enrollment by 20.
- Currently below capacity.

- Recommend denial until all seats filled.

#### Ridgeview Global

- Request to increase enrollment by 132 students (to add 8th grade).
- Recommend approval

Note: Building project has been put on hold for the new middle school due to funds shortage for a USDA loan, therefore, the school must wait for another cycle to receive the low rate.

#### South McKeel (high performing)

- Request to increase enrollment by 60 students.
- Recommend approval.

Mr. Wilson asked if these requests will be voted on individually. The Superintendent stated they will.

Mrs. Fields asked for the total student allocations. Mrs. Brady commented it is \$4.5 million.

Mr. Harris discussed the impact that diverting this sum of money away from the traditional public school general fund has to support charter school students. He also commented that Discovery High School students are zoned primarily for Tenoroc High School which has 400 empty seats in a school which has been built, bought, and paid for. He stated that he voted against this school ever existing for this very reason. He elaborated that the School District has empty seats by design because of the increased potential for enrollment at Tenoroc that has not developed due to the economy. He stated to allow charter schools to pull any additional students away from Tenoroc's enrollment is not in the best interest of the tax payer's of the District.

Mr. Wilson asked Rob Davis, Interim Associate Superintendent of Operations, to weigh in on the concurrency aspect. Mr. Davis commented there is growth in the Tenoroc zone and there are seats reserved at the school for students that live in that area.

Mr. Wilson stated help is desperately needed in that area of the county in any form.

Mrs. Sellers commented the additions requested at Discovery are per contract in order to add an 11th grade. She added that not adding the 150 students would preclude them from pulling students into the 9th grade which would shut down the school.

Mrs. Fields asked how this is going to impact the school district (\$4.5 million). Mr. Perrone commented that essentially the students go and the funds go with them. The loss would also likely create a reduction in staff at schools and a loss of students. In order to have more details he would need to do an analysis.

Mrs. Sellers asked if there are new students that would replace the outgoing students. Mr. Perrone commented 1,700 is the projected number of incoming students. She asked if the growth is in the northeast part of the county. She also commented the money is not a total loss because it is spent for the teachers, utilities, and custodians that care for the classrooms and those expenses go with those students.

Mr. Harris commented that \$4.5 million of revenue will be diverted out of the general fund, but \$4.5 million of expenses are not eliminated. There is not a dollar-for-dollar transfer when dollars are diverted to charter schools because of a loss of Full Time Equivalent (FTE) compensation.

Mr. Wilson commented that the expenses cannot be removed and new revenue cannot be received because the schools are not at capacity. He also commented that a local realtor asked him why the District is not working to expand concurrency and capacity in that area. He stated the most important thing is to have seats for students no matter how that is facilitated.

Mrs. Fields asked where the District is in the rezoning process. Rob Davis, Interim Associate Superintendent of Operations, commented discussions have been had with DeJong Richter and there

are plans to bring forward a presentation by the Central Florida Regional Planning Council. He elaborated the District already has a contract with that organization that may only need to be amended for this to take place. He also commented that the District has stopped looking at rezoning the entire district and are looking at the smaller scale for oncoming magnet schools. The DeJong Richter contract is based on work performed and payment received.

Mrs. Cunningham commented on the established relationship with DeJong Richter and wondered why the district would switch to another company. She asked that the Northeast portion of the county be left alone when rezoning takes place. Mr. Davis commented a decision has not been made to switch, but the local agency is being looked at for convenience, lower cost, and additional tools that are available to them. Mrs. Cunningham asked for verification when the rezoning would take place. Mr. Davis explained this would be studied and a recommendation would be brought forward for the 2018-2019 school year.

John Small, Deputy Superintendent, commented that outside entities submit charter applications and inevitably always propose the Lakeland Highlands area. He has suggested to the applicants that they consider areas of the county where additional capacity is needed. Mrs. Cunningham asked how many of these companies have taken this into consideration. Mr. Small said none of them have. Mr. Wilson commented the best way to address this may be a legislative approach. Mr. Wilson also commented that Mr. Davis and he along with other local developers have discussed ways to incentivize new building in the areas where it is needed.

Mr. Bridges stated that it stretches credulity that School Board Members may not take into consideration the local impact when a new charter school is opened or enrollment of an existing charter is increased. The Statute states that they may not consider the factors that impact the local schools. He also commented that the first duty of the School Board Members is to take care of the schools in your district. He elaborated on the rules that apply to high performing charter schools because legislators have taken that power away from the local District leaving the decision for the charter school's governing board.

Mr. Harris stated that the points made by Mr. Bridges should be added to the list Ms. Reynolds requested earlier. This exemplifies how school districts around the state have their hands tied without equally doing the same to charter school boards and that rules should be applied equally to all schools that receive tax dollars.

#### Item 5

##### 5. [10:00 - 10:10 AM Charter Amendment Request - New Beginnings High School](#)

Attachment: [WS-Summary-NBHS Charter Amendment Request.pdf](#)

Attachment: [NBHS Charter Amendment Request Letter.pdf](#)

Minutes:

Melissa Brady, Director of Charter Schools, presented the charter amendment request for New Beginnings High School. She explained that New Beginnings is asking for modification of their contract to add another satellite campus at Gause Riverside Academy in Fort Meade. This information is for consideration only today.

Mr. Wilson stated he thinks there is a tremendous need in this area and it is a great idea because they are not pulling students away from the District.

Mr. Harris commented this type of the school is why the charter school concept was created. They offer something that is unique and is not offered by the District, therefore he supports this type of charter. He asked what this satellite location would pay to rent one of the District facilities in Fort Meade. Mrs. Brady commented that information will have to be investigated.

Mrs. Sellers commented that she did not think that charter schools rented facilities if there was open space. Mr. Harris stated this is not a conversion.



Mr. Bridges commented the law says the District may not charge a conversion charter school rent for an existing facility that is not being utilized available in the same way that they would for other schools in need in the district. The statute does not authorize nor prohibit charging rent.

Mrs. Fields asked how much space is available. Mrs. Brady commented the majority of the facility is available. Mr. Small stated it is currently being used as an adult education and English speakers of other Languages (ESOL) classroom. Mr. Small commented that utility bills, maintenance of the grounds, and a number of other options are available. The District is currently incurring costs and this would not only help students but it would alleviate some of the cost to the District.

Mrs. Sellers commented that fifteen years down the road the Fort Meade area may grow and need that facility to serve the District's students, therefore the agreement should be renewed periodically.

Mrs. Brady stated a lease agreement would need to be reviewed. Mr. Bridges commented the agreement would be recurrent with the terms of the charter.

Mr. Harris asked if there has been an evaluation to show the impact this satellite enrollment would have on our adult education program at that facility. Mr. Small commented there is no GED program at that location, only ESOL and he feels the two programs could benefit from each other. He explained that area is run by East Area. Mr. Bridges commented this is one of those schools that comes to the District to work with them to resolve a common problem by employing a collaborative approach. Mr. Small commented the area south of highway 60 has the highest per capita drop out rate in the county.

Mrs. Brady asked if she should prepare this for a vote. The consensus of the Board was for this to be brought to the next School Board meeting.

#### INFORMATION ITEMS

##### Item 6

###### 6. [Fort Meade Middle Senior High School - Naming of Baseball Field](#)

Attachment: [Andrew McCutchen Field.pdf](#)

Minutes:

##### Item 7

###### 7. [Continuation of FDLRS Grant - \\$1,154,555](#)

Attachment: [DOE 100A Form & Budget Impact Analysis - General.pdf](#)

Attachment: [DOE 100A Form & Budget Impact Analysis - PreK03282017124807.pdf](#)

Attachment: [Statement of Work03282017124502.pdf](#)

Attachment: [Agreement with Hardee County.pdf](#)

Attachment: [FDLRS FIN Description.pdf](#)

Attachment: [DOE 100A Form & Budget Impact Analysis - Federal03282017124613.pdf](#)

Attachment: [Allocation Summary03282017124432.pdf](#)

Attachment: [Assurances & Signature Pages.pdf](#)

Meeting adjourned at 10:40 am. Minutes were sworn and attested this 16th day of May, 2017.

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Kay Fields, Board Chair

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Jacqueline M. Byrd, Superintendent