

The District School Board of Indian River County met on June 28, 2016, at 10:00 a.m. The workshop was held in the Teacher Education Center located in the School District Office at the J.A. Thompson Administrative Center located at 6500 – 57th Street, Vero Beach, Florida 32967. District School Board Members attending were: Chairman Dale Simchick, Vice Chairman Shawn R. Frost, and Board Members: Matthew McCain, Claudia Jiménez, and Charles Searcy. Dr. Mark J. Rendell, Superintendent of Schools; and Suzanne D’Agresta, School Board Attorney, were also present.

### **Superintendent’s Board Workshop Minutes**

Mr. Searcy was not present.

I. Workshop was called to order by Chairman Simchick.

II. **PURPOSE OF THE WORKSHOP**

Dr. Rendell stated that the purpose of the workshop was to review budget priorities and proposed 2016-2017 budget and millage rates for advertising. He said that he would go over the 2016-2017 Five-Year Capital Outlay Plan, present an update on Title I programs, and review the process for implementation of the Board’s Audit Committee, during the afternoon session.

III. **PRESENTATIONS**

**A. Review 2016-2017 Budget Priorities and Proposed Budget for Advertising the Tentative Budget and Proposed Millage Levy**

Mr. Morrison began the presentation by quoting Article IX that stated, “The education of children was a fundamental value of the people of the State of Florida. It was, therefore, a paramount duty of the State to make adequate provisions for the education of all children residing within its borders”. Handouts included a copy of the PowerPoint and the Preliminary Budget Book for 2016-2017.

Mr. Morrison reviewed highlights that were included in the Preliminary Budget Book for 2016-2017 fiscal year. There was good news for taxpayers. It was anticipated that taxpayers would receive a tax reduction next year, as reported to the School District by the County Tax Office. Included in the calculation this year was the Save Our Homes (SOH) Cap that included a 3% assessment limit on residential Homesteaded properties or a Consumer Price Index, whichever was lower. Mr. Morrison went over the budget recommendations listed on slides 12-14.

Dr. Rendell reviewed his budget recommendations that included:

- Reserve for Tax Anticipation Note issuance and Interest costs
- Add two Graduation Coaches, one per high school
- Funding for Multicultural Achievement Plan as per Desegregation Order
- Startup funding for part-time Indian River Virtual Program

- Add a third, security monitor position at Vero Beach High School's Freshman Learning Center

Dr. Rendell stated that there was some zero-based budgeting strategies worked into the preparation of the budget. He said that it was a challenge to balance the budget with \$1.5 million to cut from the budget, with more sharpening of the pencil to come. Board Members were given an opportunity to give input.

Mr. Morrison reviewed items that impacted the budget, listed on pages 11-14. Dr. Rendell explained that the District's new Virtual School Franchise would benefit the School District and students. He said that they were going to start with a few elective classes, with eight being the number of students needed to keep the class, with a student cap of 25 students per class. Dr. Rendell talked about the extensive review of staffing plans for uniformity that included Guidance Counselors. He noted that Indian River had a lower per student ratio of Guidance Counselors versus students. Board Members were given an opportunity to speak. Dr. Rendell said that the best answer would be to reduce the number of tests being given to students and to be more efficient in the administration of the tests. Dr. Rendell and Dr. Fritz spoke to the class size issue that was being closely monitored by District Staff and Superintendent to ensure that the classes were proportionate through the District.

Mr. Morrison referenced slide 19, regarding the Superintendent's budget reduction recommendations totaling (\$1,608,882). He said that over a million dollars in budget reductions were made since the last time they met with the Board. Mr. Morrison reviewed the estimated 2015-2016 ending fund balances and the projected 2016-2017 ending fund balances. He stated that when the budget was sent to the State, it would be a balanced budget.

Chairman Simchick recessed the workshop at 10:56 a.m. and reconvened at 11:02 a.m.

#### **Employee Health Insurance Budget**

Dr. Fritz stated that from the onset, the District had a \$7 million deficit that included just the Safe Harbor State required reserve and the projected deficit from premiums being too low and major medical expenses exceeding the estimate for the past several years. He presented a three-year and a four-year payback plan to the Board that would bring the District back to where it needed to be. The option of taking the entire amount in one year was not practical. Board Members were given an opportunity to ask questions and make suggestions. Mr. Morrison said that reoccurring program reductions listed on slide 17 were made in order to cover the payback payments. Dr. Rendell stated that Staff was in favor of going to the State Insurance Commissioner to request a four-year plan. He asked the Board for input. It was noted that there was no guarantee that the Commissioner would agree to a three or a four year plan. Mr. Morrison said that the District was currently negotiating with both unions regarding the current health insurance rates, which was a separate issue. He also stated that the District's finance rating would not be affected, as long as there was a plan in place.

### **Proposed Millage Referendum**

Mr. Morrison reviewed the timeline. He stated that the referendum would be on the August 30, 2016, Ballot. Board and Staff talked about the charter schools' agreement with the new referendum and the language. Board Members asked Mrs. D'Agresta to give an update on the charter school lawsuit. Mrs. D'Agresta stated that the charter school lawsuit regarding the last referendum had been dismissed by the Court. She noted that the charter schools filed another lawsuit in Indian River County Court, against the School District, with a different focus.

### **2016-2017 Preliminary Budget Book**

Mr. Morrison gave a short presentation on the contents of the proposed budget book. Dr. Rendell noted that this was the fourth time that the District School Board met with Staff to go over the budget for next year. He noted that the purpose of the televised workshop was to be transparent. Dr. Rendell said that it was also important to realize that the budget was a fluid document. Mr. Morrison said that the item under Consent Agenda this evening, was just to advertise the budget and millage. He said that there was a lot of time left to make changes. Board Members spoke to the placement of the item under Consent.

Chairman Simchick recessed the workshop at 11:52 a.m. and reconvened at 1:00 p.m. Mr. Searcy was present.

### **B. Review 2016-2017 Five Year Capital Outlay Plan**

Mr. Morrison distributed handouts of the PowerPoint presentation and the 2016-2017 Five-Year Capital Outlay Plan. He went over the finance history. It was noted that the District was the pass through for the charter school State funds, as per State Statute.

Mr. Sanders gave a brief review of the projects included for the 2016-2017 school year. Board Members were given an opportunity to speak to the projects. Some of the questions from the Board related to:

- Equality in shaded/covered waiting areas for bus pickup
- Citrus Bowl seats
- Windows egress at Citrus Elementary School
- Property between Freshman Learning Center and fields (piping for shared chiller plant)
- Discarded school room items from Beachland project
- Insulation between walls for new construction
- Elevator for Phase II Citrus Bowl
- Gang shower rooms
- Painting projects
- Track fields
- Hallway lighting
- Field lighting
- New furniture for Beachland and surplus furniture offered to charter schools

- Vero Beach Elementary School safety report on kitchen area
- Repainting of metal doors

Chairman Simchick recessed the workshop at 2:23 p.m. and reconvened at 2:32 p.m.

**C. Review Title I Programs**

Mrs. Malits presented a PowerPoint and handouts regarding Title I Part A that was intended to help ensure that all children had the opportunity to obtain a high-quality education and reach proficiency on challenging State academic standards and assessments. She said that Title I focus was on promoting school wide reform in high-poverty schools and ensuring students' access to scientifically-based and evidenced-based instructional strategies and challenging academic content. Mrs. Malits reviewed the project application process and monitoring. Board Members were given an opportunity to ask questions and to make suggestions. Members from the audience were given an opportunity to ask questions. A four-minute video was shown on students in the classrooms.

**D. District School Board's Audit Committee Policy and Process for Implementation**

Dr. Rendell gave the Board a copy of the current School Board Policy 6840 Audit Committee and asked Board Members to submit their recommended names for adoption of the Committee Members to serve concurrent with the Board Members' terms. After discussing the process, Board Members agreed to place this topic on the July 26 Discussion Session. Dr. Rendell stated that, in the meantime, he would meet with Mr. Morrison regarding the committee budget to be included in the 2016-2017 proposed budget.

In closing, Dr. Rendell stated that he would include a report from Husch Blackwell for a comprehensive review of progress toward unitary status.

- IV. ADJOURNMENT – Chairman Simchick  
Workshop adjourned at approximately 3:39 p.m.