



Special School Board Meeting Minutes
Monday, September 12, 2005 – 2:00 p.m.
School Board Meeting Room
Stuart, FL 34994

Members Present

Susan Hershey – Chair
Lorie Shekailo – Vice-Chair
Dr. David Anderson
Laurie Gaylord
Nancy Kline
Dr. Sara A. Wilcox, Superintendent
Tom Elfers, School Board Attorney

Members Absent

Kristin Conrad, Student Representative (JBHS)

Staff Present

Darla Miloszewski, Darrell Miller, Rodger Osborne, Julie Sessa, Cathy Brennan, Ruth Pietruszewski, James Copeland, Sabra Avery

Public

None Present

Press

PBPost – Mike Bender Stuart News – Kelly Tyko
WPBF Channel 25-Greg Duncan

MCEA – No Representation

AFSCME – No Representation

Call to Order by the Chair at 2:00 p.m. and Pledge of Allegiance to the Flag of the United States.

1. Adoption of the Agenda:*

A. Additions, Deletions or Amendments to the Agenda

No additions, deletions, or amendments to the agenda were requested.

B. Approval of the Agenda

Nancy Kline moved approval of the agenda, Laurie Gaylord seconded, and the motion carried unanimously

2. Open to the Public:*

No one from the public requested to address the Board.

3. Presentations:*

A. Presentation on Recommended Capital Projects- (COPY ATTACHED)

Darla Miloszewski, Executive Director of Finance, handed out excel spreadsheets showing the approved normal budget. She handed out another excel spreadsheet with the same budget but reflecting C.O.P.s and a ½ cent sales tax. She used this scenario to show a comparison of the budget as it is normally and what it would be if the Board chose to do the C.O.P.s and sales tax. The scenario assumed that there would be no major change in annual revenue and was based on the assumption that the Class Size Reduction amendment would not be changed. Rodger Osborne reviewed the 5-Year Capital Budget Plan and addressed the budgetary restraints. The scenario showed a balance, which the District likes to maintain for unforeseen costs. He talked about the projects, staffing, and funding. The construction costs in the scenario were based on estimates. Rodger stated that the recommendation would be a compromise, a smaller amount of the C.O.P.s than discussed. He continued to say that it was a big if, as far as the public supporting the ½ cent sales tax. This scenario given showed some of the possibilities that could come about by utilizing these two additional funding streams. Rodger answered Board members questions. Nancy Kline asked if the District had sufficient staff to accomplish all the projects. Rodger answered it would be taxing and that there were additional positions to be filled; however, his staff was comfortable with the workload. Sue Hershey felt that the Board could service the schools in a timelier manner and more economically by incorporating at least the C.O.P.S. She would like to wait at least a year for the next legislative session and see where the ½ cent sales tax was with the legislature. Lorie Shekailo said she wanted to wait on the sales tax too. She has done an unofficial poll with the public, and she felt the public was not ready to support a sales tax. Lorie Shekailo recommended going with the \$40 million COP, and then evaluating the benefit of a \$25 million one when it comes time to do the new Elementary school versus going for a sales tax at that point. By doing that it takes the Growth Management Bill into

3. Presentations:*

A. Presentation on Recommended Capital Projects- (COPY ATTACHED) (Con't)

consideration. From the taxpayers that she has spoken to, they preferred that the Board take the revenue out of the existing funding stream. She continued to say that doing nothing is not an option. The older schools need to be renovated. Sue Hershey asked Darla what base the 3% cap on property taxes would be based on, since many Martin County properties assessed values had dropped from hurricane damage. Darla explained that the base never changes under the "Save Our Homes Act," until the property is sold and the owner's name is changed. Laurie Gaylord preferred going to the voters to ask how they felt about a sales tax, instead of just imposing it legislatively. Sue Hershey felt that doing the ½ cent sales tax would take its toll on District staff, and there are costs involved with taking a referendum to the voters. Sue Hershey stated that at this point she would like to go with just the C.O.P.s and see what happens in the next year. Dr. David Anderson said that going the short route will help us determine our growth. The growth has not been what has been expected. He felt that the sales tax may not even be needed. Another factor is classroom size. He was leaning towards just doing the COP and regrouping from there to see what we are going to do. Nancy Kline visited the schools. She found that all the construction projects were needs not wants. Nancy concluded that the District has been spending about \$4 million dollars per year in the past 5 years. She stated that schools must be kept up to standard or exorbitant construction costs will be faced in the future. Nancy stated that the Board needs to do something. Nancy said she was leery to ask for more money for more projects than the staff can handle. Lorie Shekailo had read an article by Don Santos showing that construction costs show no sign of slowing down, especially with all these storms. Dr. David Anderson said he wasn't so sure this booming cycle will last as long as everyone else thinks. Lorie Shekailo said that the building boom is different than the cost of construction boom. Construction costs will probably be kept high because of the reconstruction due to hurricane Katrina.

Sue Hershey asked if anyone from the public would like to make a comment. No one responded.

Dr. Wilcox was confident that the Board had taken time to do this analysis. She had been very leery, since she is conservative and considerate of the taxpayers' dollars. She does not like to impose on the taxpayers and spends their dollars wisely, as the Board does. She said the fact is that construction costs are escalating. Every week the Board meets, and every week the costs have gone up again. She felt that Nancy Kline had presented clearly to the Board that the school's renovation projects were needs, not wants. Dr. Wilcox continued to state that it would be nice if we could tear down all of our old schools and all of our old homes, but that is not realistic. She said we must base our decisions on true needs. She has talked with the facilities staff. The older facilities are nice. She stated that the facilities are clean, and they smell clean. She continued to say that there are a number of unknowns. Class size reduction could change. There are a lot of projections for growth in Indiantown right now, but will it materialize? She stated that we can not build schools and build classrooms based on projections. She felt it was very wise of Darla, the Finance, and Facilities Department, to make sure we have that fund balance if we face emergency situations and need to make repairs and address the situation. Another unknown is what the impact fees will be. Currently a study is being done, but we don't have any information from that study as far as what the fees will be and how much revenue will be collected. She agreed with Laurie Gaylord that if the Board ever looks at sales tax, that the voters are asked to tell us if they want to provide that additional funding for schools. The vast majority of the school districts in Florida have issued C.O.P.s for school funding. Knowing that other school districts are in our very same position and are moving forward to issue C.O.P.s, she felt that the Board was left with no other alternative but to move forward with the C.O.P.s. Dr. Sara A. Wilcox recommended moving forward with the \$40 million C.O.P.s. It gives the District flexibility with the projects and moving forward the projects. Looking at the increased costs with the projects we have funding for this year, and looking at the fact we don't have the GMP for them yet, it looks like just to keep our projects moving forward the District will need additional funding. Laurie Gaylord thanked staff for all the input and work on the analysis. Dr. David Anderson said that the worst schools we have in Martin County are better than some of the better schools in some of the other counties. Dr. David Anderson complimented the dynamics of the Board. He stated that the public could trust this Board. He stated that this Board always does the right things for the right reasons. Dr. Sara A. Wilcox stated that throughout the state others are experiencing the same problems and having to deal with big chunks being removed from the capital budget because of escalating costs. Nancy Kline stated that if the Board locks in their GMPs, they will be saving money down the road. Sue Hershey said that by using local contractors, that money is being funneled back into the community to the people who funded our schools.

4. Finance:*

A. Approve C.O.P. Process for \$40 Million-(COPY ATTACHED)

Lorie Shekailo moved approval of Item 4-A, Nancy Kline seconded, and the motion carried unanimously

B. Approve One-half Cent Sales Tax Referendum Process- (COPY ATTACHED)

Laurie Gaylord moved approval of Item 4-B, Nancy Kline seconded, the item failed approval by a 4-1 vote with Laurie Gaylord casting the only assenting vote, all other Board members dissented.

Special School Board Meeting minutes
Monday, September 12, 2005 – 2:00 p.m.
Page 3 of 4

4. Finance:* (con't)

**C. Approve Agreement with Public Financial Management, Inc. (PFM);
Professional Contracts from Financial Advisory and Bond/Special Counsel Services-(COPY
ATTACHED)**

Laurie Gaylord asked if the fee was contingent on the total amount. Darla Miloszewski answered that there was a minimum fee of \$17,500 for each transaction and 65 cents per thousand as the incremental fee. Lorie Shekailo asked if this was the piggyback bid. Darla answered yes to her question. She continued to say that it was the piggyback bid on Manatee County. Martin county School district got the same rate as Manatee County, even though Martin is a bigger county. Manatee's price was six months to a year ago, so the District was getting a good deal. Darla mentioned she had worked with this gentleman before, and he was very reliable.

Laurie Gaylord moved approval of Item 4-C, Lorie Shekailo seconded, and the motion carried unanimously

5. Open to the Board:*

Nancy Kline

Asked about the status of the nets at JBHS. She was anxious to see the GMP on Murray Middle as soon as possible.

Dr. Sara A. Wilcox

Mentioned there would be a presentation on the ball fields and landscaping at JBHS at the September 20th Board meeting.

Lorie Shekailo

Felt relieved that her number crunching was over, and that a decision had been made. She asked if it was safe to say that the Board was not considering a sales tax at this time. Board members agreed they had all voted it down for this point in time.

Laurie Gaylord

Stated that the Board needed this time to come to a decision. She reported that she and Sue Hershey attended a growth management workshop. They learned it was helpful to use prototypes and not reinvent the wheel. She attended the Grandparent tea for the Council on Aging. She was the only School Board representative from the four county area.

Dr. David Anderson

Asked how high the netting would be at JBHS. Rodger Osborne answered that he did not know yet. Dr. David Anderson said he wanted Rodger to drive out and look at Golf World. He said the nets do not look nice. He said that one problem would be solved but another problem would be created.

Lorie Shekailo

Stated that something must be done to protect spectators from fowl balls. She wanted to go on record that she would not approve a plan that doesn't protect the people in the bleachers. She doesn't want to go to a baseball game and see the softball team selling hard hats as a joke.

Nancy Kline

Said we hired a competent architect who should be able to solve and fix this problem.

Sue Hershey

Attended the JROTC graduation with Dr. Sara A. Wilcox and Lorie Shekailo. Sue says those boys earned their diploma. Sue told a story of a boy who two years earlier could not read, and he graduated. It speaks well for the program and the instruction. Everyone was so proud of the young men. Sue attended a growth management workshop. She came back with a list of things that should be done. She told Tom Elfers that the policies and procedures must be updated in a timely manner to reflect the Growth Management Bill. She said the Interlocal will have to be revised. The Interlocal will have to be reviewed. She informed Dr. Wilcox that a workshop will have to be scheduled. Lorie Shekailo asked to wait on scheduling the workshop, until after the other Board members attend the workshop. She asked Rodger if J.Lisle was planning to attend a growth management workshop. Rodger stated that he, J. Lisle, and Tom Elfers would attend one of the workshops.

Lorie Shekailo

Mentioned two calendar issues. Kim Delaney e-mailed to inform her of a Treasure Coast Regional Planning meeting on Friday. She mentioned that tomorrow was the deadline to RSVP for I make a difference.

Dr. Sara A. Wilcox

Informed Board members that she had her Superintendent's meeting on Wednesday to Friday, and that there would be a session on growth management. She reported that at the next School Board meeting will be an update on hurricane recovery. A status on the repairs and FEMA reimbursements

Special School Board Meeting minutes
Monday, September 12, 2005 – 2:00 p.m.
Page 4 of 4

5. Open to the Board:* (Con't)

will be covered. At the School Board's Association meeting one of the architects was working on a new prototype that was more compact and more efficient. She feels the Board needs to look seriously at school prototypes. The District just built two schools and one cost \$2 million more than the other one. The Board needs to look at the impact of the costs and also the impact of the costs to operate for the life of the school.

Sue Hershey

Asked where the District was with the impact fees. Sue wished to have Don Santos and someone from the Taxpayers Association review them.

Dr. Sara A. Wilcox

Said the District definitely would do that. She told Sue that nothing had been received back from Professor Nicholas yet, but it is expected in the next few weeks.

There being no further business to bring before the Board, the meeting was adjourned at 3:54 p.m.

CHAIR (Sue Hershey)

SECRETARY (Sara A. Wilcox, Ph.D.)