

I. EXECUTIVE SESSION

A regular meeting of the Board of Trustees of the Charleston County School District was held on Monday, November 28, 2011, with the following members of the Board present: Mr. Chris Fraser, Mrs. Cindy Bohn Coats – Chair, - Vice Chair, Mr. Craig Ascue, Rev. Chris Collins, Mrs. Toya Hampton-Green, Mrs. Elizabeth Kandrak, Mrs. Elizabeth Moffly, and Dr. Nancy J. McGinley, Superintendent and Executive Secretary. Note: Mrs. Ann Oplinger was absent and Mrs. Mary Ann Taylor resigned on November 14, 2011. Staff members Mr. Michael Bobby, Dr. Lisa Herring, Mrs. Audrey Lane, Dr. Brenda Nelson, Mr. William Lewis, Mrs. Melissa Matarazzo, Dr. Brenda Nelson, and Mr. Elliot Smalley were also in attendance.

The news media was duly notified of the meeting and representatives were present.

Chairman Fraser called the Open Session meeting of November 28, 2011 to order at 4:30 p.m. Mrs. Coats moved, seconded by Rev. Collins, to go into Executive Session to discuss agenda items listed below. The motion was approved unanimously.

- 1.1: Teacher Appeal Decision - **Pulled**
- 1.2: Workers' Compensation Settlement
- 1.3: Buist Academy Seismic Retrofit and Early Pile Package
- 1.4: Personnel Matter
- 1.5: Superintendent's Evaluation Instrument – **Pulled**

OPEN SESSION

II. CALL TO ORDER, INVOCATION/MOMENT OF SILENCE, & PLEDGE OF ALLEGIANCE

The Board reconvened in Open Session at 5:15 p.m. Chairman Fraser called the meeting to order. Then he led the Moment of Silence followed by the Pledge of Allegiance.

III. ADOPTION OF AGENDA

Mrs. Coats moved, seconded by Mr. Ascue, to move item XII-A to X.1B since it went before the Audit and Finance Committee. The motion was approved 7-0.

Mrs. Green moved, seconded by Mr. Ascue, to approve a motion to adopt the modified agenda of November 18, 2011. The motion was approved 7-0.

IV. SPECIAL RECOGNITIONS (20 minutes)

There were no Special Recognitions to come before the board at this meeting.

V. SUPERINTENDENT'S REPORT

Dr. McGinley thanked everyone, teachers, principals and staff, parents, students, community leaders and Board member, for their contributions toward helping CCSD earn its best report card on record. Senior Leadership Team spent five hours earlier today discussing "Rationalizing Opportunities". The team looked at the four zones and saw that all zones have different challenges and opportunities and outcome is aligned to them. The team concluded that in order to make progress, three action items must be addressed to reach higher goals.

- Strategic Staffing Initiative (teachers, principals);
- Fully funding and supporting the implementation of primary Literacy Academies and
- Fully funding and supporting high quality Early Childhood for low income students.

Vision 2016 Stakeholder's meetings were held over the last few weeks. Board members, the League of Women Voters, teachers, students, parents, and community leaders were thanked for their input.

The League of Women Voters will organize and finalize all notes from Stakeholder's meetings. This information together with the feedback from the January and February public meetings will be brought back to the board. This information will also be applied to the district's Vision 2016 goals and strategies, and this year's budget decisions.

VI. VISITORS, PUBLIC COMMUNICATIONS (Not to exceed 30 minutes)

1. Mr. Anthony Bryant addressed the board regarding Freedom of Information Act requests. Mr. Bryant also suggested the Board receive input from the Planning Commissioner for decisions regarding zones.

VII. APPROVAL OF MINUTES/EXECUTIVE SESSION AGENDA ITEMS

7.1: Open Session Minutes of November 14, 2011

Mrs. Kandrak, moved approval of the Open Session Minutes of November 14, 2011 with necessary corrections and/or additions she made earlier, seconded by Rev. Collins. The vote was 7-0.

Mrs. Kandrak said the discussion regarding the stipend for the Board of Trustees was modified to show Mrs. Moffly's suggested the item be tabled or take the item back to committee. Mrs. Moffly clarified that her motion was to take the item back to the Policy Committee after the election in Nov. 2012

7.2: Motions of Executive Session of November 28, 2011

1.1: Teacher Appeal Decision – Pulled

This item was pulled from the agenda. No action was taken.

1.2: Workers' Compensation Settlement

The board approved a Workers' Compensation Settlement. The vote was 7-0.

1.3: Buist Academy Seismic Retrofit ad Early Pile Package

The Board received the Buist Academy Seismic Retrofit ad Early Pile Package as information. No action was taken.

1.4: Personnel Matter

The Board discussed a Personnel Matter in Executive Session. No action was taken.

1.5: Superintendent's Evaluation Instrument – Pulled

This item was pulled from the agenda. No action was taken.

7.3: Financial Minutes of October 14, 2011

Mrs. Coats moved, seconded by Mr. Ascue approval of the Financial Minutes of November 14, 2011. The motion was approved 7-0.

VIII. CAE UPDATE

8.1: Redesign Students Report – Mrs. Melissa Matarazzo & Mrs. Audrey Lane

Mrs. Audrey Lane led the presentation on School Redesign. Information on the following topics were highlighted-- schools that closed, students impacted, and schools students were transferred to. Mrs. Lane also shared the District's goals:

1. Elevating the achievement of all students
2. Closing the Achievement Gap
3. Raising the Graduation Rate

During the 2008-2009 school year, the board approved a motion to close five schools—Fraser ES, Brentwood MS, McClellanville MS, Schroder MS, and Charlestowne Academy. Also, the following grade configuration modifications were made—Charleston Progressive went from K-8 to K-6 and Jane Edwards went from a CD-8 to CD-6. Tracking data for the 1057 students impacted in 2009-2010 through 2011-2012 school year was also shared.

Mrs. Melissa Matarazzo shared information on student achievement scores for students impacted by School Redesign. MAP, PASS, and HSAP (ELA and Math) results revealed a slight increase. Quantity and Quality of student engagement in extracurricular activities (Band, Basketball, Football, and Swimming) varied. From this point on, an update will be provided annually on School Redesign Students. Annual parent surveys will also be done.

Mrs. Kandrak asked about graduation rates and students that attended Charlestowne Academy. Mrs. Matarazzo said that information was not included. However, it could be provided in future. Mrs. Kandrak mentioned that they had a co-Valedictorian with North Charleston High School last year and she asked about gains. Matarazzo said gains were made in every category. However, Title I students did not improve as much as other students.

Mrs. Moffly asked about Jane Edwards and Charlestowne Academy grade configurations. Then she thought it was a good idea to make changes. She asked about CD programs at High Schools and said she didn't think it was a good idea.

Rev. Collins questioned the reduced number of students tracked in the reports (1083 to 879). Mrs. Matarazzo said some relocated to another district, others graduated. However, staff will investigate and determine the reason. Rev. Collins requested a chart with corresponding grade range guide. Mrs. Matarazzo said there was no scientific way to do it. She suggested that he should be more concerned about the students in the "red category".

Mr. Fraser asked about the accuracy of data on student achievement for PASS and ELA 2010-2011. Mrs. Matarazzo said she would correct the error he found.

IX. MANAGEMENT REPORT(S)

9.1: Financial Report Capital Projects for September

Mr. Bobby highlighted that financial data from 2011-2016 was provided to Board and A&F Committee.

Mrs. Kandrak asked about the location of the next Oversight meeting. Then she expressed concerns about constituents not being able to get into the Bridgeview building. Mr. Bobby said he would have someone at door. Mrs. Kandrak asked Mr. Bobby about the status of the cassette recorder she requested. Mr. Bobby said the answer would have to come from the CCSD Board. Mrs. Moffly agreed with Mrs. Kandrak about recording meetings. Mrs. Kandrak said every meeting should be recorded so board members and the public could review them at a later time.

Mrs. Moffly also commented about posting of scheduled committee meetings. Mrs. Coats indicated that meetings are posted on the district's website. Mrs. Kandrak added the Attorney General's booklet on the Freedom of Information Act requires posting of all meetings of the Board.

Mr. Ascue said it was determined at last Audit and Finance Committee meeting that A&F meetings would be at Bridgeview to allow staff more time to work and get things done before committee meetings. Mrs. Kandrak reiterated that community members are complaining about meetings that are not held at .75 Calhoun St.

About the Financial Report, Mr. Bobby said \$5.7 million was most recent collection. The district will follow-up on collections and increase. Staff will add another line and graph as requested by Dr. Hartley, a member of the Oversight Committee, to show the trend.

Mrs. Moffly suggested the board discuss the City and County reducing their millage. Mr. Bobby said he

is patiently awaiting a meeting with Assessor's Office and County to receive information on reassessment. There were no significant rollbacks and he does not anticipate a lot of changes. However rollback, due to reassessment, could occur. Also he cautioned the board about comparing the district's revenues to other government agencies because the revenue streams are different.

X. COMMITTEE REPORT(S)

10.1: Audit & Finance Committee

A. District's External Audit Report for Year Ended June 30, 2011

Mrs. Coats moved on behalf of Audit and Finance Committee to approve the District's External Audit Report for Year Ended June 30, 2011. The motion was approved 6-0.

Note: Rev. Collins left at 6:06 p.m. before the board voted on this item.

Mrs. Kandrak asked about the most serious violation in an auditor's findings. Mr. Larry Finney, a representative with Greene, Finney & Horton, LLP Certified Public Accountants & Consultants said he would address that later during his presentation. In response to Mrs. Coats, Mr. Finney provided updates on the three issues asked about earlier.

- Greg Mathis info was not included because it was not received until after reports were printed.
- As of September 2010, the IRA funding will be gone.
- The Financial Statement has balances, responses, and other information.
- The Financial Audit and Procurement Audit were better this time than in the past because CCSD staff members were better prepared. Issues were significantly less because previous issues were corrected and the Audit Group is brings information to Board in a more timely fashion.
- Greene, Finney & Horton, LLP Certified Public Accountants & Consultants performed audit services and the opinion CCSD received is an "unqualified opinion", which is the best the district could receive.

Highlights

- The District built a healthy fund balance as of June 30, 2011 to offset the loss of ARRA funding in fiscal year 2012.
- The District exceeded its goal of having 5% in unassigned fund balance as of June 30, 2011.

The Risk of Fraud

- Mr. Finney said it has been several years since he talked about the risk of fraud. He is not talking about because found anything, but as a reminder. If it's a material fraud, External Auditors would find it. However, if not, it may not be found. Most fraud is found by way of tips from employees or found internally. He spoke about the importance of having an Internal Control System when it comes to Fraud.

General Fund Balance

- CCSD's General Fund Balance is now \$34.4 Million, an increase in total Fund Balance of \$10.4. He shared information on assigned and unassigned encumbrances.

Why it's important to Have Healthy Fund Balance

Cash Flow to avoid dependence of Tax Anticipation Notes (TANs)

Other Funds

Special Projects and EIA funds

- \$30 Million Stimulus or ARRA funds which will not be available after September 2011

- Food Service increased by \$2 million
- Debt Service – District has deficit fund balance because of an outstanding short-term debt.
- Capital Projects and CEEF \$136 million in fund balance

District-wide (GASB 34)

- Assets \$1.3 million
- Liability – approx. \$1 million

Other

- Act 189 Litigation is still ongoing – could result in a significant financial impact to the District if required to provide additional support to charter schools.
- Mr. Finney spoke of the new financial reporting requirement. He anticipates that district may have to put numbers on future balance sheets.

Subsequent Issues

- Federal monies received by the district. External Auditors have been asked to look at programs funded and compliance. They found some things, none significant. Findings this year were less than what was found last year. Most had to do with reporting.

In response to a question from Mrs. Kandrach about the most important finding, he said Pupil Activity because it's difficult at the school level to have enough people segregating duties to take care of receipts and receive cash. The testing that was done at schools was highlighted. Mr. Finney commended the district's Internal Audit office for doing a great job with this.

Finney said Board should be please with how district managed finance during difficult Economic time. He went on to say there is nothing out there that should get anyone excited about the economy. He cautioned the district to be careful going forward because of where state is at currently.

Mrs. Coats asked about employee benefits. Finney said defined benefit plan may change.

Mr. Ascue asked about changing the district's policy increasing fund balance. Finney said that was not a bad idea. He said he was willing to come back if he needed to further review this information with board.

Mrs. Moffly commented on some things she said stood out in report. She asked about Procurement Card and the findings in the random audit. Finney said they were mostly procedural errors. Only one transaction was brought that was not allowed (HP Scanner). However, there have been significant improvements since January 2011 when the district hired an additional person was hired to work with P-Cards.

Mrs. Moffly asked about the \$100,000 software purchased to track purchases. Mr. Feil said the amount was not that much and it's still in pilot stage. Moffly suggested there were not enough District Auditors to keep up and be efficient and effective. Mrs. Cox said only three District Auditors. Also, Moffly said she was curious that no opinion was provided on Internal Control which needed an opinion. Finney said the Audit they looked at Internal Control, although it's not required, to help the district out. Moffly asked about the \$50 million in another account that is audited by others. Finney said the other account is for charter schools and other auditors audit those schools. Moffly said she would like a more thorough conversation about the audit in the future.

Mr. Fraser asked what would be ideal as far as staff for the Internal Audit Dept. Finney said he

doesn't have the answer. However, Greenville size is similar to CCSD and they have 5 in the Internal Audit Office. Moffly added that Greenville's building program is not as large as Charleston County's.

Mrs. Kandrac asked about Charter School Audits. She asked to see them. Then she asked that the district's audit be posted on district's website. Mr. Bobby said it would be. Mrs. Kandrac was told that the management letter is solely for district' use. She suggested it be posted on website after it is approved by board. Mrs. Kandrac asked about monthly P-Card transactions. Mr. Bobby said there are controls on P-Card that credit cards won't have. Mr. Feil said a few months ago there were approximately 340 cards and \$23,902 transactions on those P-Cards. Kandrac asked about amount. Mr. Bobby said they are all online. Kandrac asked Finney about the second finding and Internal Control. She said 35% of 40 cards is a huge number. Finney said many findings did not have evidence that statements had been reviewed. Kandrac said that number is huge and some companies fire individuals who make these type errors. Finney said in Jan 2010 a P-Card person was hired and findings decreased. Mrs. Kandrac suggested a workshop to discuss findings further. She also mentioned concerns about the expired food contract for Food Services and expired (2008) bids for services. Finney said that issue has been addressed. She asked if it was the Sani-Tech bid then said she understood why there was a rush to get the bid approved. She asked why only 40 samples were done. Finney said they determine if more sampling is needed based on findings. That way the district saves money by doing a limited amount of samplings.

10.2: Policy Committee

A. Health Advisory Committee Recommendations

Mrs. Moffly moved on behalf of the Policy Committee to approve Health Advisory Committee member recommendations listed below. The motion was approved 6-0.

Category	Name
Faith	Ted McNabb
	Will Klauber
	Henry Goodman
Parent	Kristine S. Wachsmuth
	Daniel Lovasz
Medical	Alfons J. Schirduan
	Kathy G. Moock
Community	Louise B. Anderson
	Louis Yuhasz
Teacher	Ashley Denby-Standafer
	Linda Dilgren

Mrs. Coats asked why some individuals recommended earlier were not recommended this time. Mrs. Moffly said after other applications were received, there were more to choose from in community and parent category. Mrs. Kandrac asked Coats if she plans to advertise for members for Audit and Finance for 2012.

B. First Reading - Policy JH student Absences and Excuses

Mrs. Moffly moved on behalf of Committee to approve Policy JH – Student Absences and Excuses. The motion failed 4-2 (Kandrac and Moffly supported the motion).

Mrs. Moffly said the policy was rewritten with redline version document that was requested. The policy was re-written because it did not include all state laws and regulations. She also said CCSD staff enforced Carnegie rules regardless to rather excused or unexcused absences. Also, family member illnesses should also be an excused absence.

Mrs. Kandrac asked about redline version. Dr. McGinley said the policy was reviewed by staff. Then she asked Principal Runyon to bring suggestions on proposed changes. Mrs. Kandrac called

for point of order and said this was a recommendation from Policy Committee. Therefore, she was unsure why Dr. McGinley asked a principal to present information to elected officials. While she likes Principal Runyon, she preferred not to hear from the principal. She said she didn't object to principal but administrators calling her in to address the board. Mrs. Moffly said she wanted to hear from the principal

Mrs. Runyon shared the following:

- Excuses received 3-5 days after absence. An unlimited time is suggested.
- Parent notification of absences - it may be done in PowerSchool.
- 120 hours in seat time, she did not know origination. However, State Department is looking at changing. However, it is what is required now for Carnegie Units.
- Guidance Counselors following up on truancy after 3-day absences which is okay, but she worries about safety if Guidance Counselors are required to make home visits.
- 30-day time frame after end of course for makeup work is problematic for transcripts and when post secondary decisions are hanging on transcripts. CCSD Code of Conduct requires attendance 85 of 90 days for a half credit so must include additional information for full credit so no misconception that student could be excused 20 days.

Mrs. Moffly said if she forgets to send note within 3-5 days, it's considered an unexcused absence. About the 120 seat hours, is that state law? She said if it said excused absences, no makeup time is required. She suggested that CCSD staff should pressure state department regarding changes in seat hours. She said the district refused to grant credit to a student that didn't have seat time. About Guidance Counselor following up on truancy is state law, she said visits are optional. 30-days, from end of course, are allowed and it should be done on a case by case basis. According to state law students have a total of ten days for the whole year. Also she said board or board designee has ability to rule on anything over ten days. Seat time is not required if there are excuses.

Mrs. Coats commented that while there is value in Mrs. Moffly cutting and pasting information from state policy. The Superintendent should be board's designee.

Mrs. Moffly said s she has a problem with board not adhering to state policy. She has three more years on the board. She will continue to work on the policy.

C. Second Reading – Policy JJF– Student Activity Funds

Mrs. Moffly moved on behalf of Policy Committee to approve the Second Reading of Policy JJF – Student Activity Funds. The motion was approved 6-0.

D. Public Gifts/Donations to schools - KCD – Regulation

Mrs. Moffly said the Policy Committee supports the Donations to Schools Regulation. The board received the regulation on Public Gifts/Donations to Schools – KCD as information.

XI. POTENTIAL CONSENT AGENDA ITEMS

A. Procurement Audit for FY 2010-2011

Mrs. Coats moved, seconded by Mr. Ascue to approve the Procurement and Audit for FY2010-2011. The motion was approved 6-0.

B. 2011 SCSBA Delegate Assembly Delegates

Mrs. Coats nominated Mr. Ascue to serve as the second delegate at the 2011 SCSBA Delegate Assembly, seconded by Mrs. Green. The motion was approved 5-1 (Kandrac opposed).

Mrs. Kandrac nominated Mrs. Moffly. Since no one seconded the motion, Mr. Fraser Charleston County School District's Team Members Achievement and Quality Award.

C. Charleston County School District's Team Members Achievement and Quality Award

Mrs. Coats moved, seconded by Mr. Ascue approval of the CCSD Team Members Achievement and

Quality Award. The funding source is General Operating Funds. The amount is \$2.8 million. The motion was approved 4-2 (Fraser and Moffly opposed).

Mr. Bobby said the Achievement and Quality Award was discussed at last meeting. Also Mr. Finney presented information that confirms the district's success in increasing Fund Balance. Mr. Finney said district should be thankful, vigilant, careful, and respectful in how it is used. Mr. Bobby said staff has gone without cost of living increases and raise for employees for a number of years and some staff members now make less than made four years ago. Due to the positive condition of district, and district's good report card, this would say administrators recognize the achievement the district has made. This is not an ongoing raise. Funds come from a one-time source. Mr. Bobby addressed concerns about the impact it would have on fiscal year 2013 and if district would wish this money was kept to fulfill needs. He asked the Board to consider providing Achievement and Quality Award in amount of a \$500 check to approximately 5,500 employees. This would not be the net amount because of IRS requirements. The amount would be awarded on Dec. 16th and taxes would come out of December 23rd check. Awards would go to all active staff members as of December to include retirees and those on leave. Awards for those who are part-time would be adjusted. Also, longevity was considered and amounts were adjusted for those employed less than a year. Mr. Bobby said time is appropriate to give something to hardworking employees. Also, the recommendation is for employees who make over \$100,000. However, their awards would go into the district's Children In Crisis Fund.

Mrs. Kandrak asked about administrators receiving raise. She also said teachers, café workers and day porters now happy to know those administrators are giving their bonuses to Children in Crisis Funds. She said people are asking about some administrators that had position changes and got increases. She also asked more about the amount. Mr. Bobby said taxation is based on employee's withholdings. If not done that way, they would have to withhold a flat 25% for all. Final paycheck would have reconciliation of tax on Dec. 23rd. However, total December income should increase for all employees.

Mrs. Coats said to avoid accounting issues, could it be a flat \$500 donation. Mr. Bobby said administrator's money will go directly to Children in Crisis. In response to a question from Mrs. Coats about the cost involved with issuing pay advices Ms. Terri Shannon said the cost would be \$2,500 and administrators will be able to hand these advices out to staff to make employees feel good.

Mr. Ascue suggested an increase in fund balance and hardworking district deserves the money. He doesn't want them to have to pay this money back later if there is a shortfall.

Mr. Fraser said while he doesn't want to sound like the "Grinch," when he thinks about economy and sales tax revenue, once the money is distributed, the district wouldn't be able to get it back. However, the district's decision to award this is great and he would like to see raises considered.

Mrs. Kandrak asked for list of 24 administrators that will forego the \$500 amount and put the \$500 in the Children In Crisis Fund. Also she asked if it would be considered a personal donation with IRS. Mr. Bobby said it would be a straight transfer to Children In Crisis. Mrs. Kandrak asked if there is ever a salary increase for teachers, would that mean an increase for administrators. Mr. Bobby said state establishes Cost of Living raises for teachers. Everyone else, classified and administrators is at a discretion. Teachers normally receive more. Mrs. Kandrak suggested Board members may also want to be in video the superintendent is making to announce the stipend.

Mrs. Moffly asked about donating to charity with taxpayer's money. Dr. McGinley said it's up to the board to decide. Children in Crisis fund is something she started with personal money and it became a charity to fund wheel chair, burnouts, etc.

Mrs. Green said it's a tough decision and a morality issue for employees and board should make its best decision.

Mrs. Moffly mentioned unemployment, foreclosures and general population not having much. She said looking at as a whole, many are lucky to even have jobs.

Dr. McGinley said she recognizes difficulty and trustees will make the decision. She spoke about struggle of staff and said this is a small acknowledgement of their achievement. Also will look at creative ways to fund initiatives. She agrees, she doesn't want to run through fund balance but this would

XII. NEW BUSINESS

A. Mrs. Kandrak requested a cassette recorder to record all meetings of the board.