

RECORDS AND PROCEEDINGS

A special meeting of the Board of Education of the Pulaski County Special School District was held at 925 East Dixon Road on the 20th day of December, 2010. The following business was transacted.

Opening
12/20/10

President Bill Vasquez called the meeting to order at 6:07 pm.

Present: Mr. Bill Vasquez, Mr. Tim Clark, Mrs. Gloria Lawrence, Mr. Tom Stuthard, Mrs. Mildred Tatum, Mr. Bill Vasquez, Ms. Gwen Williams, and Superintendent Charles Hopson.

New Business
12/20/10

Review of
Legislative Audit
Findings

Mr. Vasquez began the meeting by expressing that discussion will be twofold to include a review of the findings of the legislative audit report dated March 1, 2004 – February 19, 2010 and released on April 28, 2010, as well as actions regarding items stemming from April 1, 2010 to the present. Mr. Vasquez explained that the expectations of the board regarding the Legislative Audit are to direct or take actions and “do the right thing for the children of the district as a board and stop wasting precious resources.”

Department of
Education Letters
dated
June 10, 2010 &
September 8, 2010

Mr. Vasquez explained the factors that constitute fiscal distress within a school district and reviewed the highlights of the letters from the previous reports. He added that some items mentioned in the Department of Education letters are duplicated in the Legislative Audit findings.

Mrs. Anita Farver has been working in conjunction with the Department of Education and the Division of Legislative Audit to address concerns regarding the finances of the district. Findings on Board policies that were mentioned in the two letters from the Department of Education dated June 10, 2010 and September 8, 2010 have been addressed and actions involving process/policy changes are in place. Mrs. Farver received kudos from the Board for all of her efforts in taking action regarding the district’s overall financial issues.

Rob McGill
Expenses

Mr. Vasquez reported that actions have already been taken to address expenses and travel issues of former Acting Superintendent, Rob McGill.

Board related
Matters/
Employees of the
District

Regarding findings to address matters involving undisputed obligations of two Board members, Mr. Vasquez reported that monies are being repaid at this time. Mr. Vasquez also stated that issues involving certain employees of the district are human resource matters as well as confidential , and any actions will require a recommendation by the Superintendent, Dr. Charles Hopson.

Legislative Audit Findings

Superintendent Hopson's Vehicle	Mrs. Farver reported that all bid processes were in accordance with the state bid requirements and the board did approve and sign the contract allowing the purchase of the vehicle. Mr. Vasquez asked Mrs. Farver to research the process involving the purchase of the vehicle for Dr. Hopson and provide documentation at the January Board meeting.
Increase in Salaries of Certain Administrators	Mr. Vasquez stated the board agreed to adjusting salaries for certain cabinet members who were performing cabinet level functions to be paid salaries at the cabinet level.
Desegregation Funds	Mr. Vasquez stated that in response to findings that the district received 20.5 million dollars in desegregation funds and expended 16.2 million dollars in the 2009-2010 school year, previous practices may not have demanded separate categories for tracking the funds, but are in place at this time. Mrs. Farver addressed the board and reported that effective July 1, 2010 expenditure codes have been assigned for each category of the desegregation funds in order to separately track expenditures using the electronic APSCN system. She stated that an audit conducted by outside consultants, The Navigant Group, indicated that the APSCN system is capable of tracking expenditures "to the penny".
Consultant Contracts PCSSD	Dr. Hopson reported that two cabinet members were brought into the district under contract to accommodate their transitions, but the district's salary schedule did not support corporate /non-licensed educators. However, Human Resources used proper protocol in transferring the employees from their consultant role to regular employee status.
Money Due/ Potentially Due	Mr. Vasquez reported that findings concerning potential monies due from Board members and vendors have been addressed and any remaining issues are yet to be determined as a result of continued audit findings. Mr. Vasquez motioned, seconded by Mr. Stuthard, to request that Mrs. Anita Farver provide a report on the status of noted overpayments, expense issues, hotel stays, travel vouchers, etc., to include all of the expense findings of the Legislative Audit at the January Board meeting.
Legal Services	Mr. Vasquez stated that legal fees associated with federal court costs incurred in the process for the district to obtain unitary status, costs resulting from board actions of lawsuits resulting from union recognition appeal processes were a matter of the court, as stated in the newspapers, and are being handled accordingly.

Purchase Practices Mrs. Farver addressed the board and stated that processes are in place to improve previous purchasing practices including provision of supporting documentation of all disbursements, dispensing and delivery of vendor payments, and tracking of maintenance department purchases.

Bell Schedule/
Purchase of Buses Dr. Hopson addressed the findings regarding his decision to defer from the old bell schedule for secondary students (previously set up under the PNA agreement), in an effort to address pre-existing health and safety issues associated with immediate transport of students waiting unattended after school. The number of grounded buses associated with meeting these needs necessitated a further decision for the emergency purchase of additional buses. Dr. Hopson stated that timeframes involved in meeting the needs of the students dictated his decisions. Mrs. Anita Farver added that Mr. Brad Montgomery, Director of Transportation, was instrumental in gathering all the required information needed in the bid process for the purchase of the buses, including comparison of prices, PowerPoint presentations for review, research materials, etc. Mrs. Farver also stated that Attorney Jay Bequette was involved in the research process and reviewed the recommendations that were presented at the time.

Mr. Vasquez motioned, seconded by Mrs. Sawyer, to request a full report regarding the status and current inventory of the buses from Mr. Derek Scott, Executive Director of Operations, and Mr. Brad Montgomery, by the January board meeting. The motion carried.

Inventory Control/
Fixed Assets Mrs. Farver stated she is working with Derrick Brown, Chief Technology Officer, to put in place a fixed asset system that can be tracked using the APSCN system. Mr. Brown stated that several assessments are currently being prepared in IT and findings will be presented to the Board in February/March regarding a copier/printer RFP, Voice Over Internet Protocol (VOIP) system for the district and the two new schools, and a new inventory asset management system.

Mr. Vasquez motioned, seconded by Mr. Clark, to request a monthly inventory control system to be put in place by Mr. Derek Scott and his department to monitor purchases of items over \$1,000, beginning with the Warehouse and phased into the district as appropriate, with the first report or updates due to be submitted to the Board at the January Board meeting. The motion carried.

DREAM Mrs. Farver reported that DREAM, in response to legislative audit findings, has entered into a court ordered consent agreement to repay the district money owed for meals and snacks. Attorney Bequette negotiated the agreement and reported that any payments not received could be filed in court in an attempt to collect on the judgment.

DREAM
(Cont'd)

Mr. Bequette stated that DREAM is currently in compliance and making payments on a monthly basis. During further discussion, Mr. Vasquez requested a report from Dr. June Elliot, Deputy Superintendent of Academic Accountability, indicating whether DREAM is taking overflow students from Clinton Magnet School, and if so, whether they are being compensated for transportation costs associated with the transfer of the students.

Mr. Vasquez also requested a comprehensive report of all before and after school programs indicating funding sources, food & snack needs, who is running the program, where they are located, as well as a comprehensive update indicating whether the program is district-owned, affiliated with PCSSD or independent contractors, and whether any expenses that are being charged are equitable and fair.

Expenditure
Coding System
in Accordance
With ADE's
Accounting Manual

Mrs. Anita Farver reported that an expenditure coding system is currently in place and in accordance with ADE's accounting manual. Mr. Vasquez thanked Mrs. Farver for her assistance in bringing the district into compliance with the Department of Education's accounting manual regulations.

Reimburse Insurance
Benefits Paid for
Superintendent
Charles Hopson

Mr. Vasquez stated that reimbursement regarding insurance premiums for Superintendent Charles Hopson will be handled through the appropriate agency. Mr. Vasquez motioned, seconded by Mrs. Sawyer, to request that Attorney Jay Bequette provide language that would be in compliance with Ark. Code Annotated concerning insurance for the superintendent's contract, and possible solutions to be adopted in January, by the January board meeting. The motion carried.

Board Approval
Process

Mr. Vasquez stated that standard operating procedures are currently being practiced for approval processes for policies and contracts.

Board Training
Hours

Mr. Vasquez reviewed the requirements for board required hours and stated that all board members are currently in compliance. Mr. Vasquez informed board members that training is available online for those interested in getting their training hours online.

Board-related
Expenses

Mr. Vasquez stated during discussion of board related expenses of state trips, that the board should set the precedence for restricting spending by "changing the way we do business dramatically". He stated the board could best indicate their willingness to cutting cost by starting with out of state travel.

Board-related Expenses (Cont'd) Mr. Vasquez motioned, seconded by Mr. Clark to suspend all out of state travel without 30-day prior approval by the board to include school board members and district employees, until further notice and all audit and Department of Education findings are satisfied. The motion carried.

Boardroom Renovation Mr. Vasquez reported that laptops and iPads purchased for Board and Cabinet members are being used according to board policy for technology items. He further stated that renovations involving the installation of presentation equipment were made to support the use of a paperless delivery system (EBoard Solutions) for Board recordings. Mr. Derrick Brown reported that since the Board Manager position has been filled, training can now be provided for board members to use the EBoard system. This system will provide a portable means of conducting the board meetings at area auditoriums or the high schools. A separate meeting will be scheduled in January for training members of the Board.

Professional Development Contracts Dr. Hopson stated that services provided by each contract (Arkansas Leadership Academy, Pacific Educational Group, and Performance fact, Inc.,) were independent and separate of themselves in providing professional development incentives, reform efforts to address eliminating disparities, putting in place systemic processes to compliment principals' roles in addressing disparities in their respective schools, strategic planning, institutes for teachers, principals and district administrators. Dr. Hopson stated in his response to the Board that the services being provided were definitely not duplicated services.

Strengthen/Monitor Processes to Comply With District Policies & Procedures Mr. Vasquez motioned, seconded by Mrs. Sawyer, to direct Mrs. Anita Farver working in conjunction with Bill Goff, Department of Education, to bring a best practices total budget process with guidelines for adoption by the Board at the February board meeting, not to exclude emergency purchases. The motion carried.

Paying Employees Before Employed Dr. Hopson reported that proper protocol was followed by Human Resources in establishing start dates and transfers of new employees into the district. Ms. Williams stated she feels the board's involvement is not extensive enough during the hiring of new employees and would like to a better system in place in the future. Mr. Vasquez motioned, seconded by Mr. Clark, to request that Mr. Paul Brewer, Executive Director of Human Resources, evaluate the acquisition and personnel processes and provide a recommendation to the Board at the January board meeting. The motion carried.

**Board Member
Comments**

12/120/2010

Mr. Clark informed the board that Mrs. Alice Robertson, teacher at Maumelle Middle School, suffered a heart attack this morning. Mr. Vasquez asked that everyone keep her in their thoughts and prayers.

Deb Roush reported that Dr. Robert Clowers' surgery was successful and he is recuperating at home.

Mr. Vasquez recognized Dr. Hopson and Mrs. Tatum in the loss of their loved ones.

**Executive
Session**

12/20/10

Mr. Vasquez made a motion, seconded by Ms. Williams, to move to executive session to discuss the Superintendent's contract. The board moved into executive session at 8:35 p.m. and reconvened at 8:50 p.m. Mr. Vasquez reported there were no recommendations made from the executive session.

Adjournment

12/20/10

Mr. Vasquez motioned, seconded by Mr. Clark, to adjourn the meeting. The meeting adjourned at 9:00 p.m.

Board President

Board Secretary