



Board Meeting Minutes Tuesday, March 7, 2006

<u>Board Members Present</u>	<u>Staff Members Present</u>	
Patti Head, Chair	Superintendent Bill McNeal	David Holdzkom
Carol Parker, Vice Chair	Del Burns	Jo Baker
Lori Millberg	Mark Winters	Danny Barnes
Beverley Clark	Mike Burriss	Chuck Dulaney
Rosa Gill	Donna Hargens	Maurice Boswell
Eleanor Goettee	Michael Evans	Don Haydon
Horace Tart	Jonibel Willis	
Susan Parry	Kathy Chontos	
Ron Margiotta	Linda Isley	
	Toni Patterson	
	Janice Shearin	<u>Board Attorney Present</u>
	Lloyd Gardner	Ann Majestic

Patti Head called the meeting to order at 4 p.m. Everyone recited the Pledge of Allegiance. Ms. Head called for a moment of either thought or prayer to remember the Wakefield High School students who lost their lives in an automobile accident Saturday night and to remember the students' families, school, and community as they deal with this enormous tragedy.

INFORMATION

Chair's Comments

- Ms. Head recognized the Wake Leadership Academy/N.C. State University participants in the MSA Program who were present in the audience. She welcomed these guests and thanked them for coming.
- On February 24, Patti Head, Beverley Clark, and Carol Parker attended the Blue Ribbon Committee meeting. Superintendent McNeal made a presentation regarding the growth and needs of the Wake County Public School System. The Blue Ribbon Committee is comprised of business leaders and elected officials who are studying the infrastructure needs of Wake County and striving to come up with ways to handle those needs.
- On February 28, Ms. Head attended the Wake PTA Council Presidents' Reception at the Commons Building. Superintendent McNeal was the keynote speaker, and he was honored for his service to WCPSS. Ms. Head shared that Mr. McNeal received a copy of the book, The Wizard of Oz, and each school also received a copy of the book with Mr. McNeal's name in it. Ms. Head brought greetings from the Board.
- On March 1, Patti Head and Rosa Gill attended the *Loaves and Fishes* breakfast at the North Raleigh Hilton. The theme was "Lifting Minds and Hearts" and featured Eric Montross, former UNC and NBA basketball player.
- Ms. Head reported on the six student reassignment public hearings, which were held at North Garner Middle School, Wakefield High School, Green Hope High School, Sanderson High School, Middle Creek High School, and Knightdale High School. Ms. Head thanked all the

community individuals and groups who shared their thoughts, concerns, and solutions with the Board, and she expressed her appreciation for the respectful manner in which the speakers shared their comments. Ms. Head reported that there were approximately 250 speakers in total at the six sessions. Ms. Head reiterated to the public that the Board was split between two locations on each of the three nights with the Board receiving videos of the hearings they did not attend. Board members have watched these videos and taken notes, so essentially every speaker was heard by every Board member. Ms. Head expressed her thanks to staff and Security for a “job well done.”

- Ms. Head asked Beverley Clark to give a report on the *Battle of the Books*. Ms. Clark reported that the Battle of the Books took place on Saturday, March 4. She expressed her admiration for the enormous number of WCPSS volunteers who helped with this event. Ms. Clark reported that Donna Hargens and Dr. Del Burns were also present.
- On March 6, Ms. Head attended a session with the Teaching Fellows at the Crossroads facility. Superintendent McNeal spoke to the group, and Ms. Head had a great opportunity to dialogue with them. She will be attending another session on Monday, March 13.
- On March 8, the Board will have its work session on student reassignment beginning at 9 a.m.
- Ms. Head gave a reminder that *Pieces of Gold* will be held on March 8 at 7 p.m. at the Progress Energy Center for the Performing Arts. There are approximately 800 students who are involved, and it promises to be a very exciting evening.
- The National School Boards Association’s Education Technology Site Visit will take place March 12–14.
- On March 15, there will be a joint meeting of the County Commissioners and the Board of Education.
- Patti Head asked Chuck Dulaney to come forward to be recognized for being named *News and Observer’s Tarheel of the Week*. Ms. Head congratulated him on this prestigious honor.

Superintendent’s Report

- Superintendent McNeal echoed Ms. Head’s appreciation to the community and parents who participated in the six public hearings. The hearings Mr. McNeal attended and the feedback he received indicated that parents were not only very thorough in their presentations, but they were also very respectful and professional in their approach, and he thanked and commended the community for that. He also thanked staff for providing information to the parents.
- The National School Boards Association will be conducting a site visit in our district beginning this Sunday, March 12, through Tuesday, March 14. Technology will be on the top of the agenda for the visiting educators and policy makers from across the country. The group will visit a number of our schools to see technology in action with our students. The district will also demonstrate business/community partnerships, instructional management systems, student/parent information systems, and collaborative teaching models. Superintendent McNeal expressed that the district feels very honored to have these individuals in town to witness some of the finest education in this nation as they visit our teachers and students, as well as principals.
- On Saturday, March 11, at Reynolds Coliseum, the North Carolina High School Athletic Association is conducting its state basketball championships. Wake County Schools is fortunate to have two teams competing:
 - Apex High girls’ basketball team will play at 5 p.m. against South Mecklenburg. Apex won the Regional Championship this past Saturday.
 - Wakefield High School boys’ basketball team will play at 7:30 p.m. against North Mecklenburg. Wakefield won the Regional Championship this past Saturday. Mr. McNeal expressed sorrow over the tragic loss of the Wakefield High students that were returning from Greenville that evening, and he expressed the deepest sympathy to the families and the school community of these students.

Other Board members shared the following comments:

- Eleanor Goettee and Susan Parry attended Combs Elementary's Read-A-Thon. Ms. Goettee was quite impressed with the students and applauded the administration, staff, and students for this incredible experience.
- Carol Parker visited Durant Road Middle School and read Dr. Seuss books with the students. She also announced that East Millbrook (for the second year in a row) received the Magnet School of Excellence Award by the Magnet Schools of America organization. This puts East Millbrook in the running for the Distinguished Secondary School Merit Award.
- Lori Millberg visited Rolesville Elementary to celebrate Read Across America Day. She had the opportunity to read with kindergarteners and fourth graders, and she enjoyed the experience tremendously.
- Horace Tart reported that he is planning to visit all of the schools in his district. After being invited by the PTA President, Mr. Tart visited Root Elementary this morning and read to the fifth grade students about China. He thoroughly enjoyed the visit. He will continue to accept invitations from schools outside of his district.

PUBLIC COMMENT

Citizens who signed up to address the board during public comment will be called on in priority order first for items on the agenda and then for items not on the agenda. Each individual speaker will be allowed three minutes for remarks. Issues or concerns involving personnel matters are not appropriate for this public comment setting. After 30 minutes of public comment, any speakers remaining will be recognized at the end of the agenda for their comments.

- **Paul Capps, Garner resident.** Ms. Capps thanked the Board for conducting a public hearing at North Garner Middle School. He extended a special thanks to Horace Tart and Lloyd Gardner for all of their efforts on behalf of the Garner community. He is advocating for healthy schools in Garner.

APPROVAL OF MEETING AGENDA

Carol Parker made a motion to amend the meeting agenda to add to the Action Agenda under Facilities, Item #6: Settlement: Brier Creek Elementary. This information was received by the Board over the weekend via email from Mike Burriss.

Carol Parker made a motion to amend the meeting agenda to add to the Closed Session Agenda to consult with an attorney employed by or retained by the Board in order to preserve the attorney-client privilege between the attorney and the Board pursuant to NC G.S. 143-318.11 (a)(3).

Carol Parker made a motion to approve the amended meeting agenda, seconded by Beverley Clark. The vote was unanimous.

INFORMATION

FINANCE

1. SUMMERFORD ACCOUNTANCY FINAL REPORT

On November 1, 2005, the Board of Education approved a contract with Summerford Accountancy, PC, to conduct a special purpose audit of the school district to include a comprehensive fraud vulnerability assessment and recommendations regarding any additional audit or fraud examination work that may be needed in light of the results of the Auditor's fraud vulnerability assessment. Fiscal Implications: Funds to pay for the audit were transferred from savings identified in the Potential Changes to Local Expenditures Report. Recommendation for Action: Presentation being made to the Board as information.

Patti Head publicly stated that in response to a very serious case of fraud and collusion, the Board of Education elected to pursue a special purpose audit. Five advisors worked with the Finance Committee under the leadership of Carol Parker to help with the RFP for the special purpose audit. Six firms answered the RFP. The advisors continued to help the Board with formulating the process for choosing a firm. The advisors were not involved in the selection of the firm; the Board made that decision. The Board contracted with Summerford Accountancy. In the contract with Summerford, the Board asked for the special purpose audit to determine the effectiveness of existing internal controls for cash collection procedures, payroll, procuring and paying for goods and services, and personal position control. Summerford was asked to conduct a fraud vulnerability assessment to identify areas that might be vulnerable to fraud or abuse over the last three years and to review the organizational structure and administrative controls. Ms. Head shared background information on Summerford Accountancy and introduced Ralph Summerford, President of Summerford Accountancy, as well as Kelly Todd, Senior Manager for Summerford, who was present to make the report presentation to the Board. All Board members were provided with a copy of the report.

Kelly Todd began her presentation by reporting that all of the questions included in the RFP have been answered in the report. Ms. Todd shared the background of Summerford Accountancy. Summerford specializes in forensic accounting and fraud examination only; this allows Summerford to keep abreast of the latest technology and techniques in this regard. In conducting their assessment of WCPSS, data mining technology was used to look at 100% of the school system's data; therefore, they were able to touch upon every department within WCPSS. In order to make sure that internal control procedures that are in place are operating effectively, there were times that Summerford had to look at hard copy source documents. To achieve this, they visited numerous schools in regards to compliance with internal controls, and they visited multiple departments as well (Accounting, Budget, Compensation Services, Maintenance and Operations, Facilities, Human Resources, Child Nutrition Services, and Community Services).

Ms. Todd continued her presentation by reporting on the general findings. The ultimate task put before Summerford was to determine if there was sufficient predication to undertake a fraud examination. Ms. Todd stated that Summerford's assessment did not reveal anything that lead them to believe that a fraud examination needed to be conducted. It was determined that there were certain weaknesses that do exist, which Ms. Todd reviewed in detail with the Board, and Summerford's recommendations regarding these weaknesses are included in the report. Next, Ms. Todd discussed the assessment of internal controls. She stated that throughout the assessment, the control environment within WCPSS was found to operating effectively. She further stated that the additional internal controls that have been put in place within the last 18 months were very vital to the internal control structure of WCPSS. She emphasized that the most important factors in keeping fraud from occurring is the monitoring of the internal control system, with Summerford's recommendations being: 1) a risk-based audit program, and 2) a proactive audit approach.

Ms. Todd reviewed the means by which the Transportation fraud was committed and discussed how collusion plays a part in circumventing internal controls. She shared techniques for early detection of collusion and fraud. Ms. Todd recommended the formation of an independent audit committee and the use of the above-referenced data mining technology as well as consideration of increasing the number of internal auditors. Some additional recommendations were the addition of a vendor audit clause on the back of purchase orders and included with every contract, as well as a conflict of interest statement signed by employees annually.

Ms. Todd closed her report by commending the Board for their efforts to restore public confidence, and she thanked staff members for the cooperation they displayed at all times during this process. She reiterated that Summerford Accountancy does believe that the WCPSS internal control structure is

working effectively and is operating adequately, but will not be enough to stop fraud from being perpetrated; it must be continually monitored.

Board members asked numerous questions of Ms. Todd, and she responded. Beverley Clark expressed her pleasure that even though there were recommendations for areas of improvement, Summerford found no other “red flags” after their thorough assessment. Susan Parry also expressed her pleasure with the findings.

In closing, Ms. Head made the following statement: *This has been a horrendously painful process of our staff finding this fraud, beginning to work on it, identifying a problem, and then having it escalate to the point that we felt as a Board we needed to come to an outside independent auditor who dealt with this sort of fraud. The fact that we had a few people in this system that would do something like this to our children and to a trusting community is all very painful for us, but I have to believe we are better off because of it - because we have identified things that have been put in place by our system in the last 18 months and because we have gone through the very deliberate and thorough examination that Summerford has done for us and identified areas in which we can improve. We asked for that, and I appreciate you (Kelly Todd) saying that the report is slightly in the negative frame because those are the questions we asked; that was what the community was asking; that was what we as a Board felt we needed to ask to insure our fiscal responsibility when confronted with devastating fraud and collusion. This Board has consistently, along with staff, wanted to ferret out those that were guilty and continued to want to pursue indictments and encourage prosecution to the fullest extent of the law. We are delighted at some of the returns that we have gotten in the way of property and financial reparations. We thank Jonathan Blumberg for his work, and we thank our district attorney for being very persistent in dealing with this issue, but I want to publicly thank Summerford. You have brought to this an expertise that we needed, and I was the go-between, as Board Chair, between staff and Summerford. I think you were very conscious of the fact that our staff was running a system for 120,000 students and worked very closely with getting the data and getting it in a timely way, but understanding that they had things they needed to do also. I commend our staff. I think our staff was very approachable, doing things in a very open and transparent way. Every time I got an email from Summerford requesting something, I would forward it on to Del Burns, asking him to see to it; sometimes within five minutes, he'd say, "It's done."*

All in all, while I think this was a situation none of us wanted, I feel like we are stronger for it. I would ask on behalf of the Board that our staff would answer and come back to us, perhaps in a month, with specific proposals after reviewing the recommendations. Board members, if you have other questions as you go through this report, Kelly will be available to answer them.

Carol Parker reported that the audit committee issue will be discussed in the Finance Committee, and she believes some of the financial implications will need to be discussed as well in the budget sessions.

Beverley Clark requested that Kelly Todd provide the Board with a specific list of the things that WCPSS is doing really well based on the findings from the audit. Ms. Clark felt this would be very helpful information to have.

Patti Head further commented that the objective of the Board was to ensure and assure the public that WCPSS is a well-run organization and that this particular situation of fraud and collusion within the Transportation Dept. (and related to that – the fraud that was found in Child Nutrition) was going to be examined. She trusts that the community will be assured that the Board has done everything it can and that the Board will pursue the recommendations that have been made.

Superintendent McNeal reviewed the steps that were taken by WCPSS regarding the fraud prior to Summerford being summoned. He further stated that WCPSS will be using Summerford's recommendations to further strengthen internal controls.

Ms. Head shared that the audit report and the 2006-07 Superintendent's Plan for Student Success are now on the WCPSS website. She thanked Ralph Summerford and Kelly Todd for coming and for all their hard work.

CONSENT ITEMS

Eleanor Goettee made a motion to approve the consent agenda, seconded by Rosa Gill. The vote was unanimous.

APPROVAL OF MEETING MINUTES

January 19, 2006 – Finance Committee Minutes
 February 14, 2006 – Special Board Meeting Minutes
 February 21, 2006 – Committee of the Whole Minutes
 February 21, 2006 – Board Meeting Minutes

FACILITIES

1. EASEMENT: PROGRESS ENERGY PAD MOUNT ENCLOSURE (PME) INSTALLATION AT THE CORNER OF MIDDLE CREEK PARK AVENUE AND WESTLAKE ROAD – MIDDLE CREEK ELEMENTARY

Progress Energy desires an easement upon Wake County Public School System property in order to install a PME to supplement electrical service for WCPSS schools and surrounding areas. The requested easement will not interfere with the Wake County Public School's present or future use of the property. A copy of the plat is attached which indicates the areas of the easement. Fiscal Implications: None. Recommendation for Action: Staff recommends Board approval.

2. EASEMENT: PROGRESS ENERGY SERVICE LINE RELOCATION – AVENT FERRY ROAD, HOLLY SPRINGS HIGH

Progress Energy desires an easement upon Holly Springs High property in order to relocate current power lines in conjunction with the road improvements required by NCDOT. Easement would permit access, construction and maintenance of service lines and Progress Energy substation. The requested easement will not interfere with the Wake County Public School's present or future use of the property. A copy of the plat is attached which indicates the areas of the easement. Fiscal Implications: None. Recommendation for Action: Staff recommends Board approval.

3. GRASS MOWING/LANDSCAPE MAINTENANCE AT 114 SITES

The contract term is March 27, 2006, through November 18, 2006, for 113 school sites and one office site. Contracts will be awarded as follows: Baines' Landscaping, Inc., \$179,095; Herb's Lawn Care Service, \$147,730; Hensley's Lawn and Landscape, \$102,782; and Pinnacle, Inc., \$212,245. Contract amount is based on 2 cuts per month per site for a total of 17 cuts. The contracts are renewals of the 2005 contracts for Grass Mowing/Landscape Maintenance. Fiscal Implications: Funds for the period of March 27, 2006, through June 30, 2006, in the amount of \$264,292 are available in our current expense budget. Funds for the period of July 1, 2006, through November 18, 2006, in the amount of \$377,560, are being requested in the 2006-2007 expense budget. Recommendation for Action: Board approval is requested.

4. BIDS: DANIELS MIDDLE ASBESTOS ABATEMENT

Bids for the asbestos abatement at Daniels Middle were received on February 7, 2006. Staff and EEC, Inc. recommend award of the single-prime contract to Enviro-Tech Abatement Services Co., Inc. in the amount of \$154,990. Fiscal Implications: Funding is available from the total project budget of \$18,033,627 of which \$822,678 is from PLAN 2000 Start-up, and \$17,210,949 is from PLAN 2004 School Building Program. Recommendation for Action: Board approval is requested.

5. CONSTRUCTION MANAGER AT RISK AGREEMENT: AVERSBORO ELEMENTARY RENOVATION AND ADDITION PROJECT

The next building program includes the renovation and addition project at Aversboro Elementary. Negotiations have been completed with Turner Construction Company for the construction management of this project. The form of agreement for Construction Management At Risk has been previously reviewed and approved by the Board. Ramsay GMK was previously selected as design architects for this project. Fiscal Implications: The total proposed budget will be determined with the development of the next building program. The estimated current budget is approximately \$19,000,000 of which \$978,228 is currently available from the PLAN 2004 School Building Program. The remainder of the funds will come from the next building program. The total project budget includes proposed compensation for the Construction Manager of \$130,000 for pre-construction basic services and 3.5% of the construction cost for the construction management fee. Recommendation for Action: Board approval is requested.

6. RESOLUTION: E-26 ELEMENTARY IN EXISTING BUILDING – DESIGNER SELECTION

Resolution is presented to waive the traditional designer selection process and to select Pearce Brinkley Cease & Lee, Architects, for the design of E-26 Elementary in the existing Bepak building. This request is in accordance with NCGS 143-64.32, which allows the exemption of the statutory designer selection process. The specific reason for this exemption is that this firm has provided the feasibility study for the conversion of the existing building into a new elementary school. In addition, they were the architects on a similar conversion at Lufkin Road Middle. This will shorten design time, reduce cost, and help expedite the project. Staff recommends proceeding with the negotiation of a design contract with Peace Brinkley Cease & Lee, Architects. Fiscal Implications: None at this time. Recommendation for Action: Board approval is requested.

7. RESOLUTION: LONG-RANGE BUILDING PROGRAM FUNDING REALLOCATION TO E-26 AND E-27

Resolution requests reallocation of project funds from the PLAN 2004 Next Building Program Start-up projects at E-20 and E-21 to E-26 and E-27. Total reallocation amount is \$1,490,000. This reallocation is being made to accommodate the availability of land since E-26 and E-27 will be available prior to E-20 and E-21. Fiscal Implications: No additional appropriation of funding is necessary. Recommendation for Action: Board approval is requested.

8. LEASE AGREEMENT: SINGLE CLASSROOM UNITS (PACKAGE B) – 2006 CROWDING SOLUTIONS

Staff will present the Master Lease Agreement with GE Modular Space to replace the Master Lease Agreement entered into in 2002. The new lease covers the existing units currently leased from GE Modular Space and the lease of fifty-three (53) single classroom mobile units to be installed as part of the 2006 Crowding Solution. Fiscal Implications: The set-up budget for the lease of fifty-three (53) single classroom units is \$366,495 and the rental fee is \$205.20 per month per single classroom mobile unit or \$130,507.20 per year per Package B of fifty-three (53) units. The initial lease term is 5 years. Funds for the set-up are budgeted as part of the 2006 Crowding Solution Budget of \$4,635,000. The rental fee for the lease is encumbered on a yearly basis as part of the Operating Budget. Funds will be encumbered on an individual unit basis. Recommendation for Action: Board approval is requested.

9. LEASE AGREEMENT: MODULAR CLASSROOM UNITS (PACKAGE A) – 2006 CROWDING SOLUTIONS

Staff will present a new Master Lease Agreement with Vanguard Modular Building Systems to replace the Master Lease Agreement entered into in 2002. The new lease covers the existing units currently leased from Vanguard and the lease of eight modular units (fifty classrooms) to be installed as part of the 2006 Crowding Solution. Fiscal Implications: The set-up budget for the lease of modular classroom units is

\$303,750 and the rental fee is \$29,520 per month or \$354,240 per year. The initial lease term is 5 years. Funds for the setup are budgeted as part of the 2006 Crowding Solution Budget of \$4,635,000. The rental fee for the lease is encumbered on a yearly basis as part of the Operating Budget. Funds will be encumbered on an individual unit basis. Recommendation for Action: Board approval is requested.

FINANCE

1. CHANGE ORDER 3 TO MODIS, INC. SERVICE AGREEMENT

Modis is one of three companies currently serving as a preferred vendor in supplying technical contracted resources to Technology Services. The initial amount of this year's agreement was \$0 since no contracted personnel were being utilized through Modis at that time. Two small change orders were previously processed to add \$6,050 to the contract. Change Order 3 increases funding \$166,740 to cover four contracted personnel being utilized for development and support services: one by the Office of Continuous Improvement and Professional Development (OCIPD) and three by Technology Services. The increase in funding should cover all invoiced amounts through June 2006. Fiscal Implications: Total amount of change order is \$166,740 which brings overall contract total to \$172,790. \$136,840 to cover three contractors is available in the Technology Services 2005-06 contracted services budget. \$29,900 for additional contractor will be paid through the OCIPD 2005-06 current expense budget.

INSTRUCTIONAL PROGRAM

1. AMENDMENT # 1 TO AGREEMENT BETWEEN EXCEPTIONAL CHILDREN'S ASSISTANCE CENTER AND WAKE COUNTY PUBLIC SCHOOL SYSTEM

1. Project Enlightenment is a model demonstration and training center for the national Parents As Teachers (PAT) program that promotes school readiness and parent involvement.
2. Since 1995, the Exceptional Children's Assistance Center has contracted with Project Enlightenment to provide PAT services for families, develop and distribute quarterly newsletters, plan and host state PAT Advisory meetings, and provide training and technical assistance for PAT educators.

Fiscal Implications: This is a revenue amendment that increases the contract by \$3,500. No Wake County Public School funds are required. Recommendation for Action: Staff is requesting Board approval.

2. DRIVER EDUCATION CONTRACT RENEWAL

- Statutory authority G.S. 20-881, 115C-216 and Title 16 of the N.C. Administrative Code provide enabling authority to contract for Driver Education Program Services.
- In July 2004, a new contract with the two-year renewal option was awarded to Jordan Driving School. We are completing the second year of the contract.
- Jordan Driving School has provided quality service to students and has cooperated regarding all program modifications.
- Recommend renewal of contract for Driver Education Program Services to Jordan Driving School, Inc.

Fiscal Implications: Total projected contract cost is \$2,080,000.00 based on 10,000 students. The N.C. Department of Transportation Allocation will fund all costs of the program for Driver Education. No local funds will be used to support this program. Recommendation for Action: This is presented to Wake County Public School System's Board of Education to approve the contract for Driver Education with Jordan Driving School for the period of July 1, 2006, to June 30, 2007.

HUMAN RESOURCES

1. RECOMMENDATIONS FOR EMPLOYMENT (Exhibit A)

- a. Professional
- b. Support

2. REQUESTS FOR LEAVES (Exhibit B)

COMMITTEE CHAIRS' REPORTS

Facilities Committee

Lori Millberg reported that at the last Facilities Committee meeting, there was discussion of the possible formation of an advisory group to help with the oversight of the building plan. The committee has been in discussion with the County Commissioners regarding this. The County Commissioners put out an RFP for a consultant to help them understand WCPSS construction numbers, and there was some discussion of whether an advisory group consisting of members of the community with expertise in this area should be formed in lieu of hiring a consultant, or perhaps, in addition to hiring a consultant. During the Facilities Committee meeting, Mike Burriss and Don Haydon shared that they were able to participate in the RFP process with the County Commissioners. The Facilities Committee decided at the meeting that it is supportive of the County Commissioners' decision to hire a consultant to help in the process of further analyzing WCPSS' building program. This does not preclude the formation of an advisory group, and further discussions will be taking place regarding the formation and function of the advisory group. Ms. Millberg reports that the Facilities Committee meeting scheduled for March 14 had to be rescheduled. The Facilities Committee will now be meeting on March 13 at 8:30 a.m. and March 17 at 8:30 a.m. Patti Head encouraged all Board members to attend these meetings if possible.

Ms. Head gave calendar updates of the following meetings:

All committee meetings for March 8 have been cancelled due to the all day Board work session.

March 14 at 12:30 p.m. Policy Committee

March 14 at 2:30 p.m. Finance Committee

March 15 at 9 a.m. Joint Meeting – BOE/County Commissioners

ACTION ITEMS

FACILITIES

1. DEPARTMENT OF PUBLIC INSTRUCTION 10-YEAR FACILITY NEED REPORT

Per G.S. 115C-521(a), the Department of Public Instructions (DPI) requires every 5 years that each school district submit its facility needs for the next 10 years. The attached summary reports identify the current and future planned capacity along with the current cost for new school and renovation needs. The data was based on the new schools in Scenario A as presented at the COW on February 7, 2006, in addition to known major renovation projects during the next 10 years. There is a requirement for the Board of Education to certify that the information is correct. Attached data has previously been submitted to DPI and this is the formal submittal. Note that the transmittal letter made clarifications concerning the data, since it was provided in accordance with DPI prescribed methods. Fiscal Implications: None. Recommendation for Action: Approve the submission of the 10-year plan for capacity and construction.

Lori Millberg made a motion to approve, seconded by Rosa Gill. Jyoti Sharma made a presentation to the Board and gave an overview of the information provided in the Board packets. Ms. Sharma answered questions from the Board. The vote was unanimous.

2. CHANGE ORDER NO. CM-01: EAST GARNER ELEMENTARY (E13)

Board approval is requested for Change Order No. CM-01 to Barnhill Contracting Co. for their Construction Management at Risk contract. This change order, in the amount of \$3,454,328 is to establish a guaranteed maximum price (GMP) for the site work package, which is one of thirty-eight (38) construction packages, to facilitate the beginning of construction for this project. In addition, this GMP establishes the general condition costs for the project. A list of the bid packages is attached. A future change order will be brought to the April 18, 2006, Board meeting to establish the GMP for the total elementary school project. Fiscal Implications: The total proposed project budget is \$19,693,080, of which \$14,983,080 is currently available from the PLAN 2004 School Building Program and \$10,000 is

available from contributed funds from Wake County Parks & Recreation. An estimated future reallocation of \$4,700,000 may be required because of escalating construction costs. Recommendation for Action: Board approval is requested.

Lori Millberg made a motion to approve, seconded by Eleanor Goettee. Ken Fuller made a presentation to the Board. The vote was unanimous.

3. CHANGE ORDER NO. CO-16: BARWELL ROAD ELEMENTARY

Board approval is requested for Change Order No. CO-16 to Barnhill Contracting Company. This change order in the amount of \$247,868.70 is for revisions to the widening of Barwell Road, which is a required condition to the construction of Barwell Road Elementary School/Community Center. Fiscal Implications: The total proposed project budget is \$26,027,105, of which \$697,249 is from the PLAN 2000 School Building Program; \$17,474,085 will be from the PLAN 2004 School Building Program; and \$7,855,771 will be from the City of Raleigh. The City of Raleigh will pay for one-half of the road widening costs. A reallocation request is being presented today, in a separate précis, for the additional funding which will be required to accomplish the Wake County Public School System portion of the road improvements and needed playground equipment. Recommendation for Action: Board approval is requested.

Eleanor Goettee made a motion to approve, seconded by Rosa Gill. Ken Fuller made a presentation to the Board. Beverley Clark had concerns about the extremely excessive cost to WCPSS for road widenings. Mike Burriss shared more information with the Board concerning these costs and what is being done in the future in this regard. Beverley Clark asked Mike Burriss to send a letter to the Secretary of Transportation itemizing the number of times this has occurred. Superintendent McNeal asked that the letter be copied to the Wake Delegation. Mike Burriss continued by answering questions from the Board. The vote was 7 to 1 with Susan Parry, Eleanor Goettee, Horace Tart, Lori Millberg, Ron Margiotta, Rosa Gill, and Carol Parker voting “yes,” and Beverley Clark voting “no.” The motion passed.

4. RESOLUTION: LONG-RANGE BUILDING PROGRAM FUNDING REALLOCATION TO BARWELL ROAD ELEMENTARY

Resolution requests reallocation of project funds from the PLAN 2004 project at Heritage High (H-2) site to Barwell Road Elementary. Total reallocation amount is \$285,000. This reallocation is to fund additional roadway improvements and playground equipment at Barwell Road Elementary. Fiscal Implications: No additional appropriation of funding is necessary. Recommendation for Action: Board approval is requested.

Ron Margiotta made a motion to approve, seconded by Rosa Gill. Mike Burriss made a presentation to the Board. He shared that full funding for Heritage High would be expected within the next building program. Discussion ensued, and Mr. Burriss answered questions from the Board. The vote was unanimous.

5. RESOLUTION: LONG-RANGE BUILDING PROGRAM FUNDING REALLOCATION

Resolution requests reallocation of project funds from PLAN 2004 Program Contingency to Property Acquisition Phase II. With the purchase approval of E23 and E24 on February 21, 2006, by the Board of Education, funds from Program Contingency were needed to fund the contracts. Total reallocation amount is \$1,500,000. Fiscal Implications: No additional appropriation of funding is necessary. Recommendation for Action: Board approval is requested.

Lori Millberg made a motion to approve, seconded by Rosa Gill. Mike Burriss made a presentation to the Board. Lori Millberg asked about the timeframe for securing a site location for E19. Mr. Burriss responded that a site has not been identified at this time and gave additional information as to site

identification for E19 and other projects. Carol Parker asked if the funds have been set aside for E19 yet, and Mr. Burriss responded that they have not because other sites have been procured before E19 – the site for E19 is not known at this point. The vote was 6 to 2 with Beverley Clark, Susan Parry, Rosa Gill, Horace Tart, Ron Margiotta, and Eleanor Goettee voting “yes,” and Lori Millberg and Carol Parker voting “no.” The motion passed.

6. SETTLEMENT: BRIER CREEK ELEMENTARY

A dispute arose among the Board, the City of Raleigh, and Brier Creek Associates Limited Partnership regarding the Board’s and City’s obligation to remove soil from the Partnership’s property pursuant to the agreement between the parties dated January 31, 2005. The Board and the City contend that the Board only was required to remove as much soil as was required for construction of Brier Creek Elementary School. The Partnership contends that the Board and City agreed to remove approximately 48,000 cubic yards of soil even if the Board did not need the soil. The staff recommends settlement of the dispute with the Board paying the Partnership \$97,500 and the City paying the Partnership \$52,500. The payment amounts are based upon a prior agreement between the Board (65%) and City (35%) regarding the splitting of expenses. In order to expedite payment to the Partnership, the Board will pay the entire \$150,000 settlement. \$75,000 will be paid to the Partnership by March 10, 2006. Another \$75,000 will be placed in escrow by March 21, 2006, and will subsequently be paid to the Partnership upon timely completion of their obligations set forth in the settlement agreement. The City will reimburse the Board \$52,500 for their portion of the settlement by April 14, 2006. Fiscal implications: Funding is available within the current project budget although a future reallocation will be required to reimburse the project. Recommendation for Action: Board approval is recommended.

Eleanor Goettee made a motion to approve, seconded by Lori Millberg. Mike Burriss made a presentation to the Board, and answered questions from the Board. The vote was unanimous.

INFORMATION (contd.)

FACILITIES

1. ASSIGNMENT OF NEW SUBDIVISION TO SCHOOLS

The staff of the Office of Growth Management will present recommendations for the following subdivision: Cedar Lakes (Phase 1). Fiscal Implications: Transportation costs will increase due to travel time. Other facility-related costs will be avoided. Recommendation for Action: Staff is presenting for information.

George Risinger made a presentation to the Board. The Office of Growth Management recommends that this subdivision be assigned to Rolesville Elementary School, Wake Forest-Rolesville Middle School, and Knightdale High School. There were no questions from the Board.

Ms. Head called for a 5-minute recess at 6:25 p.m.

The meeting reconvened at 6:33 p.m.

RECOGNITION

SPOTLIGHT ON STUDENTS (Exhibit C)

Eighteen students will be recognized as Spotlight on Students award winners. Fiscal Implications: There are no fiscal implications. Recommendation for Action: Recognition

Eric Sparks presented each of the students for recognition. Ms. Head congratulated each of the students and expressed to them the importance of being the recipient of such an outstanding honor. She shared the very important characteristics that made them Spotlight on Students winners, such as: a positive attitude, a can-do

attitude, generosity, and integrity. Ms. Head shared with the students how proud they have made their schools, their families and friends, and the Board, and she asked that everyone stand and give these special students a round of applause.

CLOSED SESSION

Rosa Gill made a motion to go into Closed Session at 6:50 p.m. to consider confidential personnel information protected under G.S. 115C-319; and to establish or instruct staff or the attorney concerning the Board's position in negotiating the material terms of an employment contract; and to consult with an attorney employed by or retained by the Board in order to preserve the attorney-client privilege between the attorney and the Board pursuant to NC G.S. 143-318.11 (a)(3). Lori Millberg seconded the motion. The vote was unanimous.

The meeting reconvened at 7:35 p.m.

ACTION ITEMS (contd.)

HUMAN RESOURCES

1. RECOMMENDATION(S) FOR ADMINISTRATIVE APPOINTMENT

Rosa Gill made a motion to approve the administrative appointments of Kenneth Branch, Principal at Centennial Middle School to Sr. Director of Magnet Programs, effective date TBD, and Mary Swann, Assistant Principal at Forestville Elementary School to Principal at Northwoods Elementary School, effective date April 3, 2006. The motion was seconded by Susan Parry. The vote was unanimous.

2. RECOMMENDATION(S) FOR ADMINISTRATIVE TRANSFER

Rosa Gill read the following administrative transfer:

Lisa Cruz, Assistant Principal at Lincoln Heights Elementary School, to Assistant Principal at Brier Creek Elementary School, effective date July 1, 2006.

INFORMATION ITEMS (contd.)

Carol Parker made a motion to add the following item to the information agenda, seconded by Lori Millberg. The vote was unanimous.

SETTLEMENT AGREEMENT BETWEEN WAKE COUNTY BOARD OF EDUCATION AND BARNES MOTOR PARTS COMPANY

Ann Majestic reported out, on Jonathan Blumberg's behalf, on the settlement that has been reached between the school district and Barnes Motor Parts. She shared that this is connected with the plea arrangement with the district attorney in which Barnes is paying a \$2.5 million fine, and fines under the constitution come to the public schools; therefore, this is money that will be reverted to WCPSS. Barnes has agreed to pay an additional \$500,000 for a total of \$3 million in this payment. Previously, Barnes had repaid the Board \$1.3 million and materials in the value of \$136,000. The total return from Barnes to WCPSS is close to \$4.5 million. This agreement was reached with authority from the Board. Susan Parry expressed her appreciation for all the hard work done by the Board attorneys and the contributions of staff in reaching this resolution. Patti Head publicly thanked Jonathan Blumberg, in particular, for his outstanding work, and Ann Majestic echoed Ms. Head's praise and admiration of Mr. Blumberg's tireless efforts and superb skills.

FINANCE

1. PRESENTATION OF THE SUPERINTENDENT'S PLAN FOR STUDENT SUCCESS, 2006-2007

To present the Superintendent's Plan for Student Success for 2006-2007. Fiscal Implications: This document establishes the Superintendent's Plan for Student Success for fiscal year 2006-2007. Also, included are Projections for 2007-2008 and 2008-2009. Recommendation for Action: The Board of

Education should establish dates for budget work sessions and for public hearing on the Superintendent's Plan for Student Success for 2006-2007.

Prior to Del Burns making his presentation to the Board, Superintendent McNeal shared comments with the Board regarding the need to build schools, renovate schools, and provide the kind of classroom settings that students thrive in. Once those classroom settings are provided, then it has to be determined if teachers can be recruited and retained. Mr. McNeal stated that The Superintendent's Plan for Student Success is about creating that culture. He expressed his feeling that students have not been provided with what they need to thrive, and this plan is an attempt to lay out for the community what is deemed necessary for the students of this county and for those students to grow academically. Superintendent McNeal then introduced Dr. Del Burns for his presentation to the Board.

Dr. Burns began his presentation by stating his goal of orienting the Board to The Superintendent's Plan for Student Success and to highlight several areas. He asked that the Board schedule work sessions, a public hearing, and then a date for the approval of the Board of Education's Plan for Student Success.

Dr. Burns gave a very thorough review of the key points in the plan, and answered numerous questions from the Board. He encouraged Board members to email Terri Kimzey with any questions. The responses to the questions will be compiled and furnished to Board members prior to the work sessions. As Ms. Head mentioned, The Superintendent's Plan for Student Success is on the website, and it will be updated as the Board makes changes. Dr. Burns commended the Budget Department staff for providing this plan two weeks earlier than in the past.

Dr. Burns proposed the following timeline for work on The Superintendent's Plan for Student Success: a work session at the Committee of the Whole on April 4 from 2-4 p.m.; a public hearing as part of the regular Board Meeting on April 4; a work session during the Finance Committee Meeting on April 11 from 2-5 p.m.; if necessary, another work session at the Committee of the Whole on April 18 with the goal of the Board approving the Board of Education's Plan for Student Success at the regular Board Meeting on May 2; and presentation of the plan to the County Commissioners on May 15.

ADJOURNMENT

There being no further business coming before the Board, a motion was made to adjourn the Open Meeting and return to Closed Session by Horace Tart, seconded by Ron Margiotta. The vote was unanimous. The meeting adjourned at 8:45 p.m.

Respectfully submitted,

Melanie A. Upton, Recording Secretary

Bill McNeal, Superintendent, WCPSS

Patti Head, Chair, Wake County Board of Education