



BOARD MEETING MINUTES

Tuesday, March 21, 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	Bev White
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.

INFORMATION

Chair's Comments

- Patti Head, along with many of the other Board members, attended *Pieces of Gold* on March 8. Nine hundred students from 29 schools participated, and Superintendent McNeal was honored at this event. He received a beautiful “*Wizard of Oz*” rocking chair that had been hand painted by the students. Ms. Head gave kudos to all the teachers who brought out the incredible performances of these students. She also personally thanked Elizabeth Grimes-Droessler and Bill Brown for orchestrating this wonderful event. It was a special evening and truly a “gift of gold” for all who attended.
- Ms. Head attended the NSBA site visit opening reception last week.
- Ms. Head brought greetings from the Board at the Design Studio that took place last week, and she thoroughly enjoyed spending time with this group.
- On March 14, there was a meeting of the Blue Ribbon Committee. Ms. Head reported that the committee discussed water issues and open space.
- On March 15, there was a joint meeting of the Board of Education and County Commissioners. Ms. Head gave an audit update report to the County Commissioners of the successful audit with Summerford Accountancy. She shared the details of the very thorough assessment of all departments as well as some of the recommendations Summerford made to WCPSS and the Board of Education. Ms. Head shared a direct quote made by Tony Gurley, Chairman of the Board of County Commissioners, at the joint meeting:

“The recommendation to need more auditors is good because if a person has an expectation that they are going to get caught, they are less likely to commit fraud in the first place. You’ve got to build that expectation among employees and I hope we have that in the county as well.”

We resisted calls for the Board of Commissioners to get involved in this and I will tell you now, that after looking at this audit, you have done everything that we would have done if we had become involved, and I respect you having taken this step and applaud you, and I think this is a big step in helping to build public confidence so that we can go to the public with a bond this year. There was an incident. You took every precaution to find it and now taking precautions to prevent it from happening in the future, answered questions (whatever those were), and have done everything we would have done.”

Ms. Head felt that this was a very positive statement from the County Commissioners, and she applauded the Board and staff.

- Patti Head shared that she was not able to be present at the Student Reassignment Public Hearing on March 20 due to the birth of her granddaughter and thanked Carol Parker for presiding in her stead.

Other Board members shared the following comments:

- Beverley Clark shared that she and other Board members attended the Teacher Forum hosted by the Superintendent’s Teacher Advisory Council on March 16. Ms. Clark reported that the forum was very productive in that teachers were able to voice their concerns but at the same time offer solutions as well.
- On March 9, Beverley Clark attended a breakfast at Hunter Elementary with Mr. and Mrs. Ransome, who were featured in the *News and Observer* today. Mr. Ransome is an illustrator and Mrs. Ransome is an author of several children’s books.
- Carol Parker shared her excitement in seeing the coverage of Forest Pines Elementary School in Sunday’s *News and Observer*.
- Carol Parker attended the North Carolina School Boards Association meetings on March 17. The first meeting was on development for Board members, and the second was on conference planning. She provided Board members with a handout of a new service for online training. This allows Board members to take courses online and is very reasonably priced. Ms. Parker encouraged Board members to take advantage of this opportunity. Carol Parker shared that the North Carolina School Boards Association Annual Conference will be held in Greensboro on November 13, 14, and half day on November 15. Ms. Parker brought up the issue of adding the Teacher Working Conditions Survey to the annual conference agenda.
- Susan Parry attended the International Festival at Broughton High School last week. It was a wonderful event with lots of informative displays.
- Susan Parry attended the first of a series of video conferences at Enloe High School as part of an international partnership being developed with Turkey, and Ms. Parry shared her excitement with this fascinating project.
- Eleanor Goettee participated in the IB site visit at Farmington Woods this past week. She applauded the efforts of the principal and staff.
- Horace Tart was invited by the assistant principal at Broughton High School to do an interview on teacher retention as part of her doctoral program, and Mr. Tart thoroughly enjoyed his visit.
- Patti Head continued her report on the joint meeting with the County Commissioners. The Board shared with the County Commissioners its tentative plans on renovations and auxiliary facilities needs. Both boards agreed to go forward with an independent advisory committee to assist the boards in deciding about some of these issues and looking at individual construction items as schools are built. Ms. Head requested that Board members submit to her or Tony Gurley the names of individuals interested in participating in this independent advisory capacity. The Board supported the County Commissioners hiring a consulting firm, paid for by the County Commissioners, who will also be a source of information for the school board, the County Commissioners, and the independent advisory committee. Ms. Head clarified that both boards will be making decisions regarding the independent advisory committee.

Superintendent's Report

- Magnet Schools of America will recognize 11 Wake Schools at its national conference in Omaha, Nebraska, in April. The schools are:
 - 9 Schools of Excellence: Combs, Brooks, Broughton, Bugg, East Millbrook, Farmington Woods, Ligon, Powell, and Washington
 - 2 Schools of Distinction: Centennial Middle and Lincoln Heights
- Four of the top seven schools taking part in the AMC-8 math tests this year were Wake schools: Ligon was tops for the 3rd year in a row. Martin and Lufkin Road tied for 2nd place. Carnage finished 7th. Daniels and Davis Drive Middle tied for 16th place. Marshall Lochbaum, a Martin Middle 7th grader is the only NC student in the past two years to achieve a perfect score on the exam. 9,324 NC students from 94 NC schools (65 public, 29 private) submitted results on the AMC-8 tests.
- Carnage Middle JV Team took first place and the varsity team placed 2nd at the Science Olympiad Regional Competition held in February at Wake Tech. The varsity team earned an invitation to the state championships to be held in April.
- Eleven Wake teams competing in the Odyssey of the Mind Regional Competition have advanced to the state finals to be held on April 1st at Appalachian. The teams are from Apex Middle, Davis Drive Elementary, Hunter Elementary, Lead Mine Elementary, Morrisville Elementary, North Ridge Elementary, Partnership Primary, Salem Elementary, Salem Middle, Southeast Raleigh High, and Wakefield High.
- Wake has 11 middle schoolers who have qualified to participate in the NC State Geography Bee:
 - William Laney – Davis Drive Middle
 - Beth Tabor – Reedy Creek Middle
 - Michael Mondou – Wakefield Middle
 - Peter Alfredson – Martin Middle
 - Mat Meyer – Holly Ridge Middle
 - Matt Koch – Salem Middle
 - Daniel Braden – Apex Middle
 - Sam Carter – Durant Road Middle
 - Stephen Zevgolis – Centennial Middle
 - Nathan Holtzman – Ligon Middle
 - Thomas Wu – Carnage Middle
- Wake County hosted one of the three annual site visits sponsored by the National School Boards Association from March 12-14. Approximately 50 participants from around the country joined us for the visit. The participating schools were: Combs Elementary, Turner Creek Elementary, Timber Drive Elementary, Jeffreys Grove Elementary, Carroll Middle, Salem Middle, Centennial Middle, Southeast Raleigh High, Sanderson High, and Garner Magnet High. Participants also saw partnerships between WCPSS and local universities and corporations (Friday Institute and SAS). The site visit was a tremendous success and participants were impressed not only with WCPSS' use of technology but with the quality of the people in the Wake County Public School System.
- Wake County Public School System hosted its third Design Studio last week. It was a three-day event that brings high school teams from around the nation to visit school districts that are making significant progress in the high school redesign process. Southeast Raleigh Magnet High School and Wake Forest-Rolesville High School were the featured schools, presenting their design and implementation of freshmen transition, school-wide advisory programs, and small learning communities. School teams from California, Illinois, Michigan, New York, Kentucky, and South Carolina attended the Design Studio, with a total of 43 participants visiting Wake County. Superintendent McNeal had the opportunity to speak with them, and he shared that they were impressed with our schools, students, and staff. Mr. McNeal was asked, "What is your secret?" Mr. McNeal responded, "Our secret happens to be our people."
- Superintendent McNeal shared his pride in the numerous outstanding athletic achievements of schools in Wake County. He shared that WCPSS has wonderful students, great support from the

community, quality teachers and principals, as well as a focused Board of Education trying to make certain that this district continues to move forward.

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.

- **Lib McGowan, parent.** She shared information about control devices for vending machines that have occupancy sensors that will power down the lights and refrigeration compressors for significant energy savings.
- **Steve Takacs, Wakefield High School Principal.** Mr. Takacs thanked the WCPSS community for its support during the recent tragic accident that took the lives of four Wakefield High School students. He thanked Terri Synder for all the work she did in mobilizing several counselors, psychologists, and social workers who came to the school and talked with approximately 200 students. He also expressed his thanks to the Wakefield community and the Wake County community for all the volunteer assistance and donations. Mr. Takacs shared the plan of setting up a small memorial area in the school with the trees donated by local nurseries. He also shared that he had received support from other high school principals who have experienced similar tragic situations. Patti Head thanked Mr. Takacs for coming and sharing with the Board. She added the Board's thanks to the community for pulling together and to Mr. Takacs for all he has done to help these families. On behalf of the Board, Ms. Head offered continued sympathy to the families of these young men.

RECOGNITION

RECOGNITION OF THE WINTER ATHLETIC STATE/NATIONAL CHAMPIONSHIPS

The North Carolina High School Athletic Association (NCHSAA) recognizes athletic accomplishments by providing state championships in 22 sports throughout the school year. Several other areas of sport competition also award state championships. The winter season is complete, and Wake County schools have received the following state/national championships. They are:

- Leesville High School Gymnastics Team won the state high school gymnastics award.
- Enloe High School won the state championship for boys swimming for the 8th straight year.
- Southeast Raleigh High School won the state championship for indoor girls track.
- Cary High School won the individual team state championship in wrestling and finished second in the wrestling dual team state championship.
- Green Hope High School won the North Carolina Cheerleading Coaches Association (NCCCA) state championship.
- Middle Creek High School won the National Cheerleading Sport Competition held in Atlanta, Georgia.
- Wakefield High School won the boys NCHSAA State 4A Basketball Championship this past Saturday.
- Broughton High School won the Champion Cup National Cheerleading Competition held in Virginia Beach, Virginia

Resolutions for each school recognizing these accomplishments will be presented to the head coaches for each of the respective teams. Fiscal Implications: None. Recommendation for Action: For recognition only.

Patti Head introduced Bobby Guthrie for his presentation of each school for recognition of winter athletic state/national championships. Mr. Guthrie called the student athletes, coaches, and staff from each school to come forward in order for him to read and present their respective resolutions. On behalf of the Board, Ms. Head congratulated all the athletes as well as the coaches, assistant coaches, trainers, and parents of the athletes. She shared her pride in the accomplishments of these student athletes and the exemplary way in which they have represented Wake County Public Schools. The athletes and coaches received a standing ovation from the audience.

APPROVAL OF MEETING AGENDA

Eleanor Goettee made a motion to approve the meeting agenda, seconded by Beverley Clark. The vote was unanimous.

CONSENT ITEMS

Beverley Clark made a motion to approve the meeting agenda, seconded by Rosa Gill. The vote was unanimous.

APPROVAL OF MEETING MINUTES

February 14, 2006 – Facilities Committee Minutes

February 15, 2006 – Joint Meeting of the Board of Commissioners and the Board of Education Minutes

March 1, 2006 – Student Assignment Public Hearing – North Garner Middle School Minutes

March 1, 2006 – Student Assignment Public Hearing – Wakefield High School Minutes

March 2, 2006 – Student Assignment Public Hearing – Sanderson High School Minutes

March 2, 2006 – Student Assignment Public Hearing – Green Hope High School Minutes

March 6, 2006 – Student Assignment Public Hearing – Knightdale High School Minutes

March 6, 2006 – Student Assignment Public Hearing – Middle Creek High School Minutes

March 7, 2006 – Committee of the Whole Minutes

March 7, 2006 – Board Meeting Minutes

BOARD ADVISORY COUNCIL NOMINATION(S)

New nomination to Board Advisory Council (see attached nomination form). Fiscal Implications: None. Recommendation for Action: Approval of nomination.

The Board approved the following nomination:

Nicola Mueller, East Wake Middle School (District 1)

FACILITIES

1. DESIGN CONSULTANT AGREEMENT: AVERSBORO ELEMENTARY

The next building program includes an addition and renovation at Aversboro Elementary. Negotiations have been completed with Ramsay GMK for the design of this project. The form of agreement is the standard form approved by the Board attorney. Fiscal Implications: The total proposed project 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 will include design compensation for the design consultant of \$1,014,886. However, since the design consultant is only authorized to provide services through construction documents, (including design narrative, schematic design, and construction documents), this agreement is only for \$659,676. The remaining amount will be authorized after passage of the next building program. Recommendation for Action: Board approval is requested.

2. BIDS: CARPENTER ELEMENTARY – SCHOOL CONVERSION

Bids for the conversion of Green Hope 9th Grade Center back to Carpenter Elementary School were received on February 21, 2006. Staff and Small Kane Architects, P.A. recommend award of the single-prime contract to Harrod & Associates Constructors in the amount of \$362,500.00. Fiscal Implications: Funding is available from the total project budget of \$12,374,909 of which \$12,358,609 is from the PLAN 2000 School Building Program and \$16,300 is from Wake County Parks & Recreation. Recommendation for Action: Board approval is requested.

3. BIDS: SMITH ELEMENTARY PARTIAL ROOF REPLACEMENT

Bids for the partial roof replacement at Smith Elementary School were received on February 23, 2006. Staff and Rooftop Systems Engineers, P.C. recommend award of the single-prime contract to Simon Roofing and Sheet Metal Corp. in the amount of \$318,751.00. Fiscal Implications: The total proposed budget for re-roofing and system-wide improvements is \$376,551, of which \$30,300 is from the System-Wide Improvements component, \$263,700 is from the Re-Roofing component of the PLAN 2004 School Building Program, and \$82,551 is from savings from the Re-Roofing component of the PLAN 2004 School Building Program. Recommendation for Action: Board approval is requested.

4. BIDS: NEW MODULAR AT KNIGHTDALE ELEMENTARY (PACKAGE A-2)

Bids were received on February 28, 2006, for the site set-up of one Eight-Classroom Modular Complex for Knightdale Elementary. Staff and Gurel Architecture, PA recommend award of the single-prime contract to C Blake Lewis Construction in the amount of \$178,996. Fiscal Implications: Funding is available from the project budget of \$4,635,000 for the leasing and set-up of one hundred and three (103) classrooms (mobile/modular units), which is part of the \$5,385,000 Crowding Solution budget for 2006. Recommendation for Action: Board approval is requested.

5. BIDS: NEW MODULAR AT MIDDLE CREEK ELEMENTARY (PACKAGE A-7)

Bids were received on March 9, 2006, for the site set-up of one Eight-Classroom Modular Complex for Middle Creek Elementary. Staff and Rotman Architecture, PA, recommend award of the single-prime contract to C Blake Lewis Construction in the amount of \$129,951. Fiscal Implications: Funding is available in the project budget of \$4,635,000 for the leasing and set-up of one hundred and three (103) classrooms (mobile/modular units), which is part of the \$5,385,000 Crowding Solution budget for 2006. Recommendation for Action: Board approval is requested.

6. BIDS: SANDERSON HIGH ELECTRICAL SYSTEM AND SPORTS FIELD LIGHTING UPGRADE

The sports-field lighting must be upgraded to meet the North Carolina Athletic Association lighting standards. In order to accomplish this, the electrical system that serves the lights must be upgraded and the obsolete transformers must be replaced. The system is approximately 35 years old. Staff recommends award of the installation contract to Tommy Lawrence Electrical Contractors, Inc. in the amount of \$122,500. Fiscal Implications: Funding is available from the 2005-2006 Maintenance and Operations budget. Recommendation for Action: Board approval is requested.

7. RESOLUTION: LONG-RANGE BUILDING PROGRAM FUNDING REALLOCATION

Resolution requests reallocation of project savings from PLAN 2000 Program Contingency to PLAN 2000 Mobile Reallocations. This reallocation will fund unanticipated change orders for the 2005 Crowding Solution. Total reallocation is \$400,000. Fiscal Implications: The revised 2005 Crowding Solution budget is now \$30,300,000. No additional appropriation of funding is necessary. Recommendation for Action: Board approval is requested.

FINANCE

1. AUTHORIZATION FORMS

These authorization forms designate the persons authorized to sign vouchers for the payment of money on behalf of Leadmine Elementary. Fiscal Implications: These authorization forms are required for bank records.

2. REPORT OF ADMINISTRATION APPROVED CONTRACTS (Exhibit A)

The attached summaries are provided as information in accordance with Board Policy 8361. The summaries list all change orders, and contracts having a value greater than \$50,000 and not over \$100,000, and purchase orders in excess of \$250,000 for February 2006. Fiscal Implications: Not applicable.

3. GIFTS TO THE SYSTEM (Exhibit B)

Thirty-five gifts have been donated to the Wake County Public School System. The approximate value of the gifts is \$18,446.93. Fiscal Implications: Not applicable.

INSTRUCTIONAL PROGRAM

1. GRANT PROPOSALS

1. Competitive (#1031): Hewlett Packard, Technology for Teaching / Longview School.
2. Competitive (#1032): United Arts Council of Raleigh and Wake County, Artists in Residency / Individual schools.
3. Competitive (#1033): NC Arts Council, Artists in Residency / Individual schools.
4. Entitlement (#1045): US Department of Education, Office of Elementary and Secondary Education, Indian Education Programs / Central Office, Curriculum and Instruction.
5. Competitive (#1046): US Department of Education, Office of Elementary and Secondary Education, Early Childhood Educator Professional Development Program / Project Enlightenment.
6. Competitive (#1058): US Department of Education, Office of Safe and Drug-Free School, Elementary and Secondary School Counseling Program / Central Office, Guidance Office.

Fiscal Implications: Any required cash and/or in-kind matching contributions vary by grant program.
Recommendation for Action: Staff is requesting Board approval.

HUMAN RESOURCES (Exhibit C)

1. REQUEST FOR LEAVES

COMMITTEE CHAIRS' REPORTS

Facilities Committee

Lori Millberg reported that the Facilities Committee met on March 13 and March 17. The topic of the meeting on March 13 was the issue of school ownership. At the present time, schools are owned by the school system, and the debt to build those schools is on the books of the county. This is a concern for the County Commissioners, and they would like to transfer school ownership to the county. This issue was addressed and discussed at the Facilities Committee meeting. A number of individuals presented their positions on this topic and offered their advice to the Board regarding school ownership. Ed Dunlap with the North Carolina School Boards Association spoke strongly against the Board transferring ownership of the schools to the county. He felt a better solution would be for the school district to have taxing authority, thereby transferring the debt of the schools to the school district. David Cooke, County Manager, spoke on behalf of the County Commissioners who are in favor of school ownership being transferred to the county. He is concerned about the fact that the county's books show approximately \$1 billion debt with no offsetting

asset; therefore, their books show that they are “in the red.” Mr. Cooke shared his concern about this possibly affecting the bond rating in the future. He feels this issue needs to be decided eminently in order to get his support for any future financing. Greg Allison from the Institute of Government, as an independent third party indicated that this issue is going to continue to be an accounting problem but did not advocate for one position or another. Mike Farrell, the county attorney, indicated that he would like to continue to work with the Board’s attorneys on this matter to find a solution that will satisfy everyone’s concerns.

The Facilities Committee meeting on March 17 focused on looking at what can be done as a Board to help control the escalating cost of construction of new schools. The committee is looking at the minimum standards set by the Department of Public Instruction and possibly scaling back – what would the cost savings be and what would the education sacrifice be? The committee is also looking at what other counties are doing to save money. Lori Millberg reported that what is often times the case is that the comparison is not “apples to apples.” In many instances, when these counties report that they are building a school for less it is because they are not including everything in their school price package; whereas when Wake County reports its cost to build a school, it is for a turnkey job with everything included (furniture, land, site development, etc.). Ms. Millberg also reported that often times these other counties are not building schools that accommodate as many students as schools being built in Wake County. This is why it is important to look at a cost per pupil comparison.

Finance Committee

Carol Parker reported that the Finance Committee met on March 14. The committee reviewed and discussed the Summerford audit. One of the recommendations in the Summerford audit was to have an audit committee, and the Finance Committee has been working on this for the last several meetings. The committee asked staff to come up with a policy that would describe the audit committee. The Finance Committee would like to discuss this policy at the April meeting and then bring the policy recommendation to the Board. Policy 2220, which deals with the Internal Audit Department, was discussed and modifications were made to the policy. The policy refers to an audit committee, which is inaccurate wording since there is not an audit committee per se. That language was corrected to include that the Board Chair and the Finance Committee Chair would be the people to meet with the internal auditor to review the internal auditing plans for the future and results of internal audits. With the agreement of the Policy Committee, the Finance Committee would like to bring this policy revision to the Board for first reading at the April Board meeting. The next Finance Committee meeting will be largely focused on the Superintendent’s Plan for Student Success, and Ms. Parker encouraged all Board members to attend.

Committee of the Whole

Patti Head reported that at today’s Committee of the Whole, it was requested that she bring other dates forward for additional meetings to deal with a variety of issues. Ms. Head requested that all Board members be present at these meetings and expressed her appreciation for their willingness to do so. Ms. Head reminded Board members that additional joint meetings with the County Commissioners have been scheduled for April 10, May 3, and May 17 as well as the standing meeting on April 19.

Instructional Program Committee

Beverley Clark reported that the Instructional Program Committee did not meet in March, but will be meeting on April 12.

Human Resources Committee

Eleanor Goettee reminded fellow Board members and those in attendance that the next administration of the Teacher Working Conditions Survey begins Monday, March 27 and runs until May 1. This survey is offered every two years to all teachers and certified staff in the state. She provided a flyer to Board members with additional information and shared the website (www.northcarolinatwc.org) with the audience.

ACTION ITEMS

FACILITIES

1. CHANGE ORDER NO. GC-01: WAKELON ELEMENTARY

Board approval is requested for Change Order No. GC-01 to Clancy & Theys Construction Company for their Construction Management at Risk contract. This change order, in the amount of \$11,132,085 is to establish a guaranteed maximum price (GMP) for the site work package and other early release packages, which are part of the 34 construction packages 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 May 16, 2006 Board meeting to establish the GMP for the total elementary school project. Fiscal Implications: The total proposed project budget is \$22,950,000, of which \$14,983,080 is currently available from the PLAN 2004 School Building Program. An estimated future reallocation of \$7,966,920 may be required because of escalating construction costs. The Town of Zebulon will reimburse for part of the entrance road. The amount is yet to be determined. Recommendation for Action: Board approval is requested.

Lori Millberg made a motion to approve, seconded by Rosa Gill. Ken Fuller made a presentation to the Board. Carol Parker asked for clarification of the total cost, and Mike Burriss clarified the process to establish the guaranteed maximum price. Other Board members asked additional questions, and Mr. Burriss responded. Carol Parker expressed a concern regarding the cost overruns and inquired as to what is being done in this regard. Mike Burriss reported on the measures that are being taken to save costs. The vote was unanimous.

2. CHANGE ORDER NO. CM-01: HOLLY GROVE ELEMENTARY (PERMANENT SITE)

Board approval is requested for Change Order No. CM-01 to Clancy & Theys Construction Company for their Construction Management at Risk contract. This change order, in the amount of \$9,274,555 is to establish a guaranteed maximum price (GMP) for the site work package and other early release packages, which are part of the 34 construction packages 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 May 2, 2006 Board meeting to establish the GMP for the total elementary school project. Fiscal Implications: The total proposed project budget is \$21,200,000, of which \$14,983,080 is currently available from the PLAN 2004 School Building Program. An estimated future reallocation of \$6,216,920 may be required because of escalating construction costs. Recommendation for Action: Board approval is requested.

Lori Millberg made the motion to approve, seconded by Eleanor Goettee. Ken Fuller made a presentation to the Board. Horace Tart asked if any construction companies other than Clancy & Theys were interested in Construction Management at Risk. Ken Fuller responded with the names of other firms that have been chosen (Barnhill, Clancy & Theys, Turner, Centex, and Heery-Griffin). The vote was unanimous.

3. CHANGE ORDER NO. CO-104: HOLLY SPRINGS HIGH ROAD IMPROVEMENTS (PHASE B – CASS HOLT ROAD AND AVENT FERRY ROAD)

Board approval is requested for Change Order No. 104 to DeVere Construction Company, Inc. This change order, in the amount of \$804,924.42 is for road improvements to Cass Holt and Advent Ferry Roads as required by NC Department of Transportation. This is the second phase of the NC Department of Transportation improvements for Cass Holt Road and Advent Ferry Road improvements; first phase was \$356,327.86. This change meets all Wake County Public School System requirements. Any additional changes required by negotiations with the Town of Holly Springs concerning the realignment of the Cass Holt/Advent Ferry intersection will be paid by the Town of Holly Springs. Fiscal Implications: The proposed project budget is \$41,871,865, of which \$1,546,945 is from the PLAN 2000 School Building Program, \$459,036 is from the Town of Holly Springs and Wake County, \$9,000 is from

PLAN 2000 Modernization and 39,051,960 is from PLAN 2004. A reallocation request is being presented today, by a separate précis, for the additional funding in the amount of \$804,924 which will be required to accomplish the total road improvements. 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 and answered questions from the Board. Horace Tart voiced his concern with the excessive costs to WCPSS for these change orders. There was lengthy discussion regarding this issue, and Mike Burriss answered additional questions. Beverley Clark asked for clarification as to other available options and what the impact would be if this change order were not approved, and Mike Burriss responded. Patti Head asked for any volunteers from the Board who would like to work on this issue with staff. The vote was 7 to 1 with Susan Parry, Rosa Gill, Ron Margiotta, Carol Parker, Lori Millberg, Eleanor Goettee, and Horace Tart voting “yes,” and Beverley Clark voting “no.” The motion passed.

4. RESOLUTION: FUNDING FOR PLAN 2004 SCHOOL BUILDING PROGRAM

Resolution requests funds for the PLAN 2004 School Building Program previously approved by the Board. This request will provide construction funds for Wendell Middle to be reallocated to other PLAN 2004 needs. Fiscal implications: Total of this appropriation request is \$8,747,147. Appropriations for PLAN 2004 to date total \$519,229,732. The total PLAN 2004 appropriations including this request, equals \$527,926,829. Recommendation for Action: Board approval is requested.

Rosa Gill made a motion to approve, seconded by Eleanor Goettee. Mike Burriss made a presentation and Board members asked numerous clarifying questions. The vote was 7 to 1 with Ron Margiotta, Horace Tart, Susan Parry, Rosa Gill, Eleanor Goettee, Carol Parker, and Beverley Clark voting “yes,” and Lori Millberg voting “no.” The motion passed.

5. RESOLUTION: LONG-RANGE BUILDING PROGRAM FUNDING REALLOCATION TO BRIER CREEK ELEMENTARY, HARRIS CREEK ELEMENTARY, HOLLY SPRINGS HIGH, PANTHER CREEK HIGH, AND PROGRAM CONTINGENCY

Resolution requests reallocation of project funds from the PLAN 2004 projects at Heritage High (H-2) site and Wendell Middle to Brier Creek and Harris Creek Elementary Schools, Holly Springs and Panther Creek High Schools, and Program Contingency. Total reallocation amount is \$9,962,147. This reallocation is to fund: the settlement agreement with the developer approved at the March 7, 2006 Board meeting along with playground equipment at Brier Creek Elementary; playground equipment and unanticipated site costs at Harris Creek Elementary; the roadway improvements at Holly Springs High; unanticipated site costs at Panther Creek High; and Program Contingency for future PLAN 2004 needs. Note that both high schools used significant amounts of their contingency funds to offset the initial bids per our budget. Fiscal Implications: No additional appropriation of funding is necessary. Recommendation for Action: Board approval is requested.

Carol Parker made a motion to approve, seconded by Rosa Gill. Mike Burriss made a presentation to the Board and responded to questions from Board members. Lori Millberg asked for confirmation that the full price tag for Heritage High School was never in Plan 2004 and that the opening date for Heritage High School will remain the same, which staff confirmed. Susan Parry asked a question regarding contingency funds, and Mike Burriss responded. The vote was unanimous.

Rosa Gill made a motion, seconded by Lori Millberg to take a 10-minute recess. The vote was unanimous. The meeting recessed at 6 p.m.

The meeting recovered at 6:13 p.m.

6. GROWTH MANAGEMENT REASSIGNMENT PLAN FOR 2006-2007

The staff of the Office of Growth Management presented recommendations for the 2006-2007 Growth Management Reassignment plan. Fiscal Implications: The opening of new schools and student movement will result in increased transportation costs. Other facility-related costs will be avoided. Recommendation for Action: Staff is presenting for Board approval.

Rosa Gill made a motion to approve the amended Growth Management Reassignment Plan for 2006-2007, seconded by Carol Parker.

Quoted from Patti Head, Board Chair:

“Let me share with you, before we go into any discussion, the fact that the student assignment plan before us tonight is a culmination of several months of community input, starting with our Community Engagement Meetings in the fall and going straight through to the public hearings, one of which was last night for some changes that we had suggested in our March 8 work session. We also have had individual input to both the staff and the school board; need I tell you about the thousands of emails and phone calls to staff and the Board. It has been lots of study by the district staff involving the growth, new schools, and long-range needs; hours and hours of discussion by the Board of Education with the district staff and with the people in Wake County; and much debate over what is best for the individual student and the district as a whole. It has been a very long, arduous, and often times, painful process because we fully understand that this deals with the children of Wake County, and I think that in some ways it is a compliment because people do not want to leave schools in order to go to new schools. They love the school they are attending, but we all know that reassignment is an outgrowth of our tremendous growth or a consequence of our growth. While none of us on this Board would wish for any students to have to be reassigned, as you open new schools and as we continue to deal with our capacity issues, we are mandated to have to do these reassignments. All approved changes in the assignment of students for next year should be available on the web by Thursday morning. Official parent notification of assignment of students for the 2006-2007 school year will be sent home by students on May 15. All applications for transfers under the grandfathering provision must be received by the Office of Growth Management between May 15 and June 1, 2006. All other transfers submitted to staff based on the newest reassignment plan will be denied at the staff level. Parents who submit a transfer request between May 15 and June 1 and who are denied at the staff level will be given the option to appeal to the Board as a review of a special situation. Grandfathering options - existing school to existing school: grandfathering will be allowed at 4th, 5th, 7th, 8th, 10th, 11th, and 12th grades; existing school to new school: grandfathering will be allowed at 5th grade. All transfers, including grandfathering students, are given without transportation. With that being said, I would like to ask Ramey Beavers to please come forward.”

Ramey Beavers began his presentation by stating that the recommendations before the Board involve student movement to and from schools at all levels. Five new elementary schools and two new high schools are being opened in 2006-07. Dr. Beavers further stated that the health of every school in the county has been a continuing goal of the Office of Growth Management, though there are still some schools that the communities feel need to be focused on regarding their health. He shared that because of the tremendous growth this will not be the last time that the challenge of moving students will have to be dealt with. Dr. Beavers applauded his staff for all their hard work. He further reported that nodes 470.2 and 470.3 were pulled from the revised plan and sent back to Middle Creek High School, and node 613.3 will go to Middle Creek High School.

Eleanor Goettee made a motion to add an additional amendment to the Growth Management Reassignment Plan for 2006-2007 that allows the following nodes to remain at Oak Grove Elementary: 418.1, 419.5, 419.6, 419.7, 419.8, 421.0, 422.1, and 422.2 with the year-round transportation. The motion was seconded by Ron Margiotta. The vote was unanimous.

Chuck Dulaney made a presentation at the Board's request to clarify why some nodes were allowed to return to Broughton and other nodes (Brookhaven subdivision) were not. Mr. Dulaney answered questions from Board members. After Mr. Dulaney's presentation, Patti Head stated that even though there are individual parts of the plan that each Board member would like to see changed, at this point the Board must vote on the totality of the plan. Lengthy discussion ensued, and Dr. Beavers answered questions posed by Board members. Carol Parker expressed her desire to see a revision in the reassignment plan process that includes the community earlier on in a more meaningful way. She also stated that she is encouraged by the improvements that have been made since she has been on the Board and would like to continue moving forward to serve the community even better.

Ron Margiotta made a motion to amend the Growth Management Reassignment Plan for 2006-2007 to allow the AOIT students from Apex High School to remain at Apex High School as transfer students without transportation, seconded by Carol Parker. The vote was 5 to 3 with Ron Margiotta, Horace Tart, and Carol Parker voting "yes," and Beverley Clark, Eleanor Goettee, Lori Millberg, Susan Parry, and Rosa Gill voting "no." The motion failed.

Ron Margiotta made a motion to amend the Growth Management Reassignment Plan for 2006-2007 to break out the Apex High School component of the plan for those being reassigned to Holly Springs and Panther Creek, seconded by Horace Tart. Rosa Gill expressed her opposition to pulling sections out of the plan. The vote was 6 to 2 with Ron Margiotta and Horace Tart voting "yes," and Lori Millberg, Eleanor Goettee, Susan Parry, Rosa Gill, Beverley Clark, and Carol Parker voting "no." The motion failed.

Ms. Head restated the original motion to approve the amended Growth Management Reassignment Plan for 2006-07. The vote was 7 to 1 with Horace Tart, Rosa Gill, Beverley Clark, Susan Parry, Carol Parker, Eleanor Goettee, and Lori Millberg voting "yes," and Ron Margiotta voting "no." The motion passed.

Before proceeding to the next action item, Beverley Clark recognized a 7th grade student from Davis Drive Middle School who is a Boy Scout in Troop 207 and was in attendance as part of his Eagle Scout merit badge requirements.

7. ASSIGNMENT OF NEW SUBDIVISION TO SCHOOLS

The staff of the Office of Growth Management presented 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 Board approval.

Ron Margiotta made a motion to approve, seconded by Rosa Gill. Ramey Beavers made a presentation to the Board. The vote was unanimous.

INFORMATION

FINANCE

1. RESPONSE TO SUMMERFORD'S FRAUD VULNERABILITY ASSESSMENT

Staff will present initial response to Summerford recommendations. The response will include plans to review and implement recommendations, scheduled status reports to the Board of Education, and projected timeline. Fiscal Implications: To be determined.

Patti Head read the following statement that she has made on behalf of the Board, which appeared in the *News and Observer*:

The release of the special audit report on the Wake County Public School System on March 7 was an important day for Wake County, and an opportunity for our community to assess the strength of our school system.

Following the school system's discovery of fraud and collusion within its Transportation Department, and its further discovery of problems at the Garner High cafeteria, the Wake County Board of Education took action to ensure that the public's confidence in our schools was well placed. We contracted with Summerford Accountancy, PC, an independent auditing firm specializing in fraud examination and forensic accounting. We wanted to ensure to the best extent possible that no other fraud had happened in WCPSS, and that the internal controls in place were sufficient to prevent future fraud.

Summerford used data mining techniques to examine all of the school system's transactions and account balances. They reviewed every department. They asked hard questions. For the period between July 1, 2002 to December 31, 2005, the Wake County Public School System was under a powerful microscope.

The most important result was that there were no areas of the school system where Summerford found probable cause to begin a fraud examination – no "red flags" other than those resulting from the Transportation Department collusion. The auditors said that the control environment, what they called the "tone at the top," was positive and operating effectively, and that the Wake County Public School System's internal controls were also operating effectively.

Summerford made some important recommendations, however, which the Board of Education takes very seriously. The auditors reminded us that there is no perfect way to protect against fraud, but pointed the way toward improvements in preventing and detecting it. They recommended strengthening the school system's internal audit staff, giving it the technology and manpower necessary to be more proactive in identifying risks of fraud. They also urged the school system to fully integrate its information systems to provide better oversight.

Thanks to this independent and thorough audit, we now know the story of the transportation scandal: A few employees colluded to commit fraud. They were found out. Trials and convictions followed. Internal controls were strengthened. Independent auditors searched for more fraud and found none. Further changes were recommended, and the Board of Education and staff are responding.

In the final analysis, the Summerford audit shows that while more needs to be done, our trust in the staff of the Wake County Public School System has been validated. I thank the staff, as well as the Board thanks the staff, for being forthright in dealing with the Board of Education and the public, and in cooperating with law enforcement and the press. I also want to thank the district attorney's office, the State Bureau of Investigation, and the Board of Education's attorneys for their roles in investigating, prosecuting, and recovering the resources that taxpayers intended for supporting our students.

Thanks to their hard work, the sins of a few former employees have not tainted an entire organization, and we can now move on with the serious work of helping students learn; recruiting and keeping quality teachers and staff; and meeting the needs of a growing county.

Board members were provided with a copy of the initial response to Summerford's Fraud Vulnerability Assessment. Mark Winters reported on each recommendation and the subsequent response. Quarterly status reports will be presented to the Board. Beverley Clark and Patti Head applauded the efforts of staff and expressed their appreciation to Mark Winters for his presentation.

Before proceeding into Closed Session, Lori Millberg clarified for the public the fact that the Board has not made the decision to not allow the AOIT students to transfer; the Board simply made the decision not to make it a part of the reassignment plan. That decision has been put aside for a later date.

CLOSED SESSION

Carol Parker made a motion to go into Closed Session at 8 p.m. to consider confidential personnel information protected under G.S. 115C-319; to consider confidential student information protected under the Family Educational Rights and Privacy Act (FERPA) and G.S. 115C-402; and to consult with an attorney employed or retained by the Board in order to preserve the attorney-client privilege between the attorney and the Board pursuant to G.S. 143-318.11(a)(3). The motion was seconded by Rosa Gill. The vote was unanimous.

The Board reconvened into Open Session at 8:11 p.m.

ACTION ITEMS (contd.)**HUMAN RESOURCES****1. RECOMMENDATION(S) FOR ADMINISTRATIVE APPOINTMENT**

Eleanor Goettee made a motion to approve the administrative appointment of Ronald Campbell, Assistant Principal Intern at Apex High School, to Assistant Principal at Weatherstone Elementary School, effective date 4-3-06. The motion was seconded by Susan Parry. The vote was unanimous.

2. RECOMMENDATION(S) FOR ADMINISTRATIVE TRANSFER

Eleanor Goettee read the following administrative transfer:
Shelly Watson, Assistant Principal at Yates Mill Elementary School, to Assistant Principal at Green Year-Round Elementary School, effective date 4-10-06.

ADJOURNMENT

There being no further business coming before the Board, a motion was made to adjourn Open Session and reconvene Closed Session by Susan Parry, seconded by Rosa Gill. The vote was unanimous. The open meeting adjourned at 8:15 p.m.

Respectfully submitted,

Melanie A. Upton, Recording Secretary

Bill McNeal, Superintendent, WCPSS

Patti Head, Chair, Wake County Board of Education