

THE SCHOOL DISTRICT OF LEE COUNTY

Independent Sales Surtax Oversight Committee Meeting
2855 Colonial Blvd, Fort Myers, FL 33966

Thursday, June 27, 2019
Meeting Minutes

Committee Members Present:

Joe Mazurkiewicz, Jr. – Chairman
Frederick Atkins
Alissa Brandemuhl
Joe Catti
Sandra Dauti
James Dozier
Fred Elliott
Randy Krise
Jim Nathan
Dennis Pearlman
Michelle Perez-Macias
Steve Shimp
Chris Simoneau

Excused Committee Members:

Greta Campbell
Brian Rist
Carmen Salomé

Absent Committee Members:

Chris Lopez

School Board Member Present:

Chris Patricca, Board Liaison to ISSOC

Lee County School Personnel Present:

Dr. Greg Adkins, Superintendent
Dr. Ami Desamours, Chief Financial Officer
Trey Davis, Chief Information Officer
Dwayne Alton, Executive Director – Infrastructure Services
Susan Malay, Executive Director – Financial Services
Jimmy Flock, Director – Maintenance Services
Kelly Letcher, Director – Business Services
Rick Parfitt, Director – Safety & Security
Fredrick Ross, Director – Procurement Services
Scott Reichenbacher, Senior Program Manager – Construction Services
Barbara Cedeno, Coordinator – Maintenance Services
Sarah Cox, Coordinator – Business Services

Guests:

Jeff Wolf, Senior Manager, Moore Stephens Lovelace

- I. Welcome/Introduction/Roll Call
Joe Mazurkiewicz welcomed the committee members and called the meeting to order at 6:00p.m. The roll was taken by SDLC Executive Secretary, Joni Al-Shabibi.
- II. Public Comment - NONE
- III. Approval of March 28, 2019 Meeting Minutes
A motion was made by Joe Catti to approve the minutes and was seconded by James Dozier. The motion passed and the minutes were approved.
- IV. External Auditor Presentation: Moore Stephens Lovelace
 - a. Jeff Wolf, Senior Manager from Moore Stephens Lovelace, reviewed current audit procedures as well as what will occur going forward.
 - Steve Shimp inquired about the following and Mr. Wolf responded:
 1. Would the audit occur annually? Yes.
 2. Would be a test of 25 items? – It is not a requirement, but they can do so if requested.
 3. Assurances to bond holders? – No.
 - Joe Mazurkiewicz wanted to know if there would be a separate letter of audit results given to the ISSOC or would it be included in the letter to the School Board. Mr. Wolf stated that it would be included in the letter to the Board.
 - Mr. Shimp asked if the Committee would like to require a separate report to address specific details. Mr. Wolf said it is not in the scope of their audit. Mr. Shimp feels that it would serve as an assurance to the tax payers that funds are being spent accordingly. Mr. Wolf stated that the audit is more of an accounting materiality – not a compliance report. Joe Catti voiced that the normal audit opinion should be enough. Mr. Mazurkiewicz asked that if the audit found something being done wrong, would it not be flagged? The auditor replied that it would be flagged. Mr. Shimp asked how much it would cost to get this type of report. Mr. Wolf stated that a separate report is not in the scope of their audit and that a ballpark estimate of the cost to do so would be in the range of \$5K to \$15K. Mr. Mazurkiewicz feels that a separate report is not necessary for this year due to the low number of projects/expenditures and that maybe next year the Committee could look further into it.
- V. Financial/Project Reviews
 - a. Mr. Shimp reported that he has had two successful meetings with District staff. He requested going forward that it would be helpful that a hard copy and verbal report from each department's Director be reported at the quarterly meetings.
 - b. Mr. Shimp reported that he was shown the process of receipting invoices. This process is very well run and the revenues/expenses are being placed into the proper account lines. They have their act together. Jim Nathan asked if revenues from the State are "live" on the report. The current report reflects money collected through 5/31/19. The State has been lagging in payments, so the budgeted numbers have been projected and will remain that way until we have more historical data.
 - c. Mr. Shimp made a motion to approve the format of the presentations of the spreadsheets as 1. A financial report from the Budget Department and 2. A verbal report by individual District Departments. Fred Elliott seconded the motion. Discussion: Jim Nathan asked who would be certifying that this report would be accurate. Mr. Mazurkiewicz confirmed that the District Finance Committee, District staff and auditors would be certifying the accuracy of the quarterly report. Chris Patricca clarified that the Finance Committee does not look at Sales Tax expenditures. Mr. Shimp stated that he felt that staff and auditors review is adequate. Approval was in favor unanimously.
 - d. Jimmy Flock, Barb Cedeno, Jimmy Thompson and Jim Spurlock provided a power point presentation of Maintenance Services FY19 referendum projects. There were 26 projects at 26 different sites for HVAC,

safety, fire, lighting, window, clocks and roofing. They noted that security upgrade projects were a combination of Safety Department dollars and Maintenance Services dollars. Alissa Brandemuhl complimented the presentation, but requested that going forward, that the presentation be emailed to the Committee for review ahead of meetings.

- e. Richard Parfitt and Dwayne Alton gave a power point presentation on Safety & Security projects. All K-12 schools now have front entry camera systems. Card access systems and CCTV projects are continuing as scheduled and will be funded with a combination of sales tax and District capital funds. This combined budget is because these projects started before the Sales Tax Initiative. Additional ongoing Safety & Security projects include continued monitoring of single points of entry (SPOE), classroom security locks and EMS/Radio amplification.
- f. Dwayne Alton presented on behalf of the Infrastructure Services Department. Regarding classroom audio visual systems' upgrades, they are working with Academic Services to determine new technology packages. The life expectancy of technology is 7-10 years for boards, 5 years for projectors and 6 years for audio systems. Dennis Pearlman asked if funds were being used to pay for technology maintenance. Dwayne confirmed that yes, funds were being used, but these expenses will reduce in the future due to new and better technology.
- g. Scott Reichenbacher provided a list of current Construction Capital Projects:
 - Lehigh Senior High School – 75% reconstruction (addition and renovation)
 - Elementary School K – in the design phase
 - Middle School NN – in the design phase
 - MMM High School – in Lehigh, freshmen in portables August 2020 and building to open August 2021
 - There will be a full tear down of two campuses – Cypress Lake Middle and Franklin Park Elementary
 - Acreage in the South Zone, behind Estero High School, slated for an elementary (K) and a middle school (NN), opening August 2022
- h. Dennis Pearlman made a motion to approve the Financial Report that was presented this evening. Joe Mazurkeiwicz seconded the motion. All were in favor to approve.

VI. Kelly Letcher and Sarah Cox reviewed the Sales Tax Dashboard on the District Website – Change for Change Webpage. The Committee members would like the link emailed to them. Randy Krise requested that a list of completed projects for FY19 be added to the website. Dr. Desamours confirmed that list could be added.

VII. Update on Sales Tax Bonds

- a. \$105,000,000.00 sales tax bond -> Legislative Bill 7070
 - Legislation states that Districts cannot use CAP funds for projects that exceed the cost per student station. The cost per student station is unrealistic; unable to meet the price of \$220 per square foot.
 - Cannot use another source of funding either
 - Cost of COPS is higher than a bond.

VIII. Schedule of Remaining ISSOC Dates. Committee members agreed that dates of September 26th and December 19th were ok.

IX. Member Comments

- Joe Mazurkeiwicz thanked the Committee members for their willingness to dig into all of the presented numbers and acronyms.

X. Motion to adjourn by Randy Krise and seconded by Chris Simoneau. The motion was approved, and the meeting was adjourned at 7:56 p.m.