

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS**

January 28, 2014

The School Board Audit and Budget Advisory Committee (ABAC) met on Tuesday, January 28, 2014, in the School Board Administration Building, Conference Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

Members Present:

Voting:

Mr. Jeffrey B. Shapiro, Esq., Chair
Mr. Roland Sanchez-Medina, Jr., Esq., Vice Chair
Dr. Lawrence S. Feldman, School Board Vice Chair
Ms. Marian L. Hasty, Esq.
Ms. Susan Marie Kairalla
Mr. Rayfield McGhee, Jr., Esq.
Mr. Benjamin Moscowicz, CFP®
Mr. Christopher Norwood, J.D.
Mr. Jose I. Rasco, CPA
Mr. Isaac Salver, CPA
Mr. Frederick F. Thornburg, Esq.

Members Absent:

None.

Non-Voting (Absent):

Dr. Richard H. Hinds, Associate Superintendent/Chief Financial Officer

Call to Order

The ABAC Chair, Mr. Jeffrey B. Shapiro called the meeting to order at 12:35 p.m. and warmly welcomed everyone in attendance.

1. Welcome, Introductions and Moment of Reflection

Mr. Shapiro requested everyone in attendance to introduce themselves, which they did. The following persons were present:

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| Ms. Perla Tabares Hantman, School Board Chair | Ms. Judith Marte, Deputy Chief Financial Officer |
| Ms. Susie V. Castillo, School Board Member | Mr. John Schuster, Chief Communications Officer |
| Dr. Marta Pérez, School Board Member | Ms. Iraida Mendez-Cartaya, Assistant Superintendent |
| Ms. Raquel A. Regalado, School Board Member | Dr. Maria P. de Armas, Assistant Superintendent |
| Mr. Alberto M. Carvalho, Superintendent | Ms. Tiffanie Pauline, Assistant Superintendent |
| Mr. Walter J. Harvey, Esq., School Board Attorney | Dr. Marcos M. Moran, Assistant Superintendent |
| Mr. José F. Montes de Oca, Chief Auditor | Mr. Carl Nicoleau, Assistant Superintendent |
| Ms. Milagros R. Fornell, Chief of Staff | Ms. Connie Pou, Controller |
| Mrs. Valtena G. Brown, Chief Operating Officer | Ms. Silvia Rojas, Treasurer |
| Ms. Enid Weisman, Chief Human Capital Officer | Ms. Maria T. Gonzalez, Asst. Chief, School Audits |
| Ms. Marie Izquierdo, Chief Academic Officer | Mr. Trevor L. Williams, Asst. Chief, District Audits |
| Mr. Jaime G. Torrens, Chief Facilities Officer | Mr. Julio Miranda, Asst. Chief, Investigations |
| Mr. John Labonia, General Manager, WLRN | Ms. Daisy Naya, Assistant Controller |
| Ms. Mindy McNichols, Asst. School Board Attorney | Ms. Melba Brito, Administrative Director |
| Ms. Ana Craft, Asst. School Board Attorney | Ms. Cynthia Gracia, Administrative Director |

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Ms. Martha Montiel, Administrative Director
Mr. Raul Perez, Administrative Director
Dr. Ana M. Rasco, Administrative Director
Ms. Nicki Brisson, Executive Director
Mr. Jon Goodman, Executive Audit Director
Ms. Joyce Castro, District Director
Ms. Melissa Latus, District Director
Ms. Meyme Falcone, Director
Ms. Tamara Wain, Director
Mr. Richard Yanez, Audit Director
Ms. Montserrat Paradelo, District Supervisor
Dr. Lisette T. Rodriguez, District Supervisor
Mr. Tom Knigge, OIG, Supervisor Special Agent
Mr. Luis Baluja, Supervisor
Ms. Dahlia Gonzalez, Instructional Supervisor
Ms. Latosha T. Styles, Supervisor
Mr. Evelio Rodriguez, Major
Mr. Jerold Blumstein, Administrative Assistant
Ms. Viviana Jordan, Administrative Assistant
Mr. Blake F. Juste, Administrative Assistant
Ms. Ana Lara, Administrative Assistant
Ms. Jackeline Fals-Chew, Administrative Assistant

Ms. Marisol Marin, Administrative Assistant
Ms. Gina M. Rimart, Administrative Assistant
Ms. Dalia Rosales, Administrative Assistant
Ms. Elsa Berrios-Montijo, Administrative Secretary
Ms. Lucila I. Gonzalez, Administrative Secretary
Ms. Lawandra Houston, Administrative Secretary
Ms. Monica Troutman, Property Auditor
Mr. Carlos Ferralls, Vice Principal, Doral Academy
Mr. Luis Fuste, Doral Academy
Mr. Gerri Lazarre, Trimerge CPA
Ms. Eleni Pantaridis, Esq., Doral Academy
Mr. Douglas Rodriguez, Doral Academy
Mr. Fernando Zulueta, President, Academica
Mr. Carlos Trueba, CPA, Rodriguez, Trueba & Co.
Ms. Jeanne Spital, Esq., Cole, Scott & Kissane
Mr. Kevin Cowan, Esq., Shutts & Bowen
Mr. Donovan Maginley, Partner, McGladrey LLP
Mr. Marcos Jimenez, Partner, McDermott, Will & Emery
Ms. Audrey Pumariega, Esq., McDermott, Will & Emery
Mr. Dan Ricker, Publisher and Editor
Mr. David Smiley, The Miami Herald

The Chief Auditor introduced Mr. Christopher Norwood, J.D., as its newest member of the ABAC, appointed by School Board Member Dr. Dorothy Bendross-Mindingall.

The Committee members graciously welcomed Mr. Norwood.

There was a moment of reflection.

2. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of December 3, 2013

The Chair drew the members' attention to the minutes for the ABAC meeting of December 3, 2013, and asked whether any members had any suggested revisions or questions related to the contents of the proposed minutes.

Mr. Thornburg pointed out that in the minutes a follow-up discussion was noted which was not included in the agenda and suggested adding a section to the agenda labeled "Unfinished Business" for future ABAC meetings in order to keep the Committee apprised of issues discussed at ABAC meetings that become follow-ups (Upon subsequent further research, it was established and communicated to all stakeholders via e-mail, that the item in question was indeed in the agenda as part of item number nine).

There was no further discussion. A motion was made by Mr. Thornburg, seconded by Dr. Feldman for the approval of the minutes, with the recommended suggestion, to serve as the memorialization of the December 3, 2013, ABAC meeting. The motion carried unanimously.

DISTRICT REPORTS:

3. Internal Audit Report – Selected Schools

Ms. Maria T. Gonzalez, Assistant Chief Auditor, presented the above-referenced report containing the audit results of 41 schools, which had no findings and mentioned that the corresponding principals should be congratulated. She added that the property inventory results for most schools in the report were also satisfactory.

The Committee was very complimentary of school administrators and clerical staff, as well as Ms. Gonzalez and the audit staff for a job well done.

There being no discussion, a motion was made by Dr. Feldman, seconded by Mr. Sanchez-Medina, which carried unanimously, to recommend that the **Internal Audit Report – Selected Schools** be received and filed by the School Board.

4. Audit of Questioned Financial Transactions of Doral Academy Charter High School

Mr. Shapiro recused himself from participating in the Committee's discussion and deliberation of this item due to a business conflict of interest. Similarly, Ms. Susan Marie Kairalla also recused herself because one of her relatives is professionally associated with one of the entities that is part of this audit. For this agenda item only, Mr. Roland Sanchez-Medina, Jr., Vice Chair of the Committee, temporarily acted as Chair.

In his opening remarks, the Chief Auditor gave a brief introduction on the above-referenced report and stated that the information provided by the auditee, subsequent to the December meeting, where the ABAC graciously allowed the auditee to provide additional information, had been carefully and objectively reviewed by his office and in his professional opinion the information provided did not change anything in the audit report. He summarized the report findings into the following three main issues:

- lack of fiscal oversight by the charter school's Governing Board
- \$4.5 million of taxpayers' funds paid for leasehold improvement based on a contract with a 150-day cancellation clause that would only benefit the landlord
- \$400,000 of taxpayers' funds provided to a private college by the charter school as a recoverable grant, without a written contract obligation of what the college was obligated to provide to the charter school

The Chief Auditor noted that when he asked the auditee for the financial records of the college to ascertain the use of the funds, he was denied access because according to the auditee, the college was a private institution of higher learning independent from Doral Charter High School, and as such not obligated to provide the records since they are not governed by the Florida Public Records Law. He reiterated that the school gave away \$400,000 of taxpayers' monies to a private entity where the entity is not contractually obligated to provide anything to the school in return. Mr. Montes de Oca stated that he made this brief observation in order to put the audit in the right perspective and trusted the Committee will transmit the report to the School Board endorsing the recommendations.

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Mr. Marcos D. Jimenez, Esq. (representing Doral and Academica) gave an explanation in response to the audit. He stated that in the report there are no allegations that the statutes or contract provisions have been violated and that the charter agreement between the school and M-DCPS were not breached in any way. He observed that the report reflects an opinion on a disagreement of policy and best practices. In regards to the lease facility, he mentioned that the school, at the request of the Mayor of Doral at the time, built an additional building to house approximately 900 students and stated that the landlord in 2013 executed a waiver on early the termination clause and in his opinion, the transaction involving the early termination provision in the lease agreement was “much ado about nothing” and hypertechnical. Mr. Jimenez also spoke about the \$400,000 recoverable grant and the chronology of legal entities associated with Doral Academy High School. He pointed out that the grant existed because there was a division that occurred as the result of the name change. He added that the report does not mention that of the \$400,000 funds earmarked, \$250,000 has been repaid, and that the remaining balance will also be paid.

In response to a question from Mr. Salver regarding clarification pertaining to the school’s name change, Ms. Eleni Pantaridis, Esq. (also representing Doral) explained that the original charter contract was under the name Doral Academy High School, Inc., but in January 2010 this name was changed to Doral College, Inc. She stated that when Doral College, Inc., applied for a renewal contract, the District approved it under the name Doral Academy, Inc., (which is a sister company that runs the elementary and middle schools).

Mr. Salver asked if Ms. Pantaridis’ explanation pertaining to the name change can be corroborated. The School Board Attorney responded that according to the School Board Policy, when an entity changes its name, the name change is considered a substantial amendment to a contract and the entity must notify the School Board before changing its name. He asserted that in this case, according to the timeline that Ms. Pantaridis provided, the name change occurred approximately a year before the application was submitted to the District.

Ms. Tiffanie Pauline, Assistant Superintendent for Charter Schools Operation, concurred that the issue of the erroneous name change was a scrivener’s error. She emphasized that the only documentation received from the auditee requesting a name change from Doral Academy High School, Inc. to Doral College, Inc., was an e-mail to one of the clerks in her office in August 2011 (two months after the fact). She stated that changing the name of the entity which has been issued a charter requires additional review and School Board action, as previously explained by the School Board Attorney, not simply a change by the entity seeking the renewal of the charter.

Mr. Salver asked if the proper documentation was provided by the auditee related to the name change. Ms. Pauline responded that her office has not been formerly provided a request for a name change from the auditee in accordance with the School Board policy. Mr. Jimenez said that when the application was submitted by the auditee, the name change was attached as provided in the exhibit.

The Chief Auditor again noted that the name change was not communicated to the School Board; that a renewal application was submitted in May 2011; and that in June 2011 the contract was signed by the School Board Chair, Superintendent, and the charter school’s officers accepting the fact that the charter was in the name that it was. He reiterated that the

only supporting document that the auditee provided pertaining to their request to change the name of the school was an email sent to a District clerk in August 2011. He asserted that there is no other record found from the auditee pursuing their request for a name change.

In regards to the controversial 150-day cancellation clause in the charter school's lease contact, Mr. Kevin D. Cowan, Esq., Real Estate Attorney (engaged by the School Board to review the lease documents and transactions), provided a brief overview of his findings and stated that the cancellation clause was problematic because it enabled the landlord to terminate the lease at any time after the large improvement had been made, without having to compensate the tenant. Pertaining to amendments to the lease, he added that there was a letter dated in 2012, without the landlord's signature or witnesses to the document, eight years after the lease was original signed, which rendered the amendments invalid.

In regards to the lease amendment letter, Mr. Sanchez-Medina suggested for the auditee to have the landlord submit a draft lease amendment with the proper signatures. Mr. Jimenez responded that he feels that the current lease amendment submitted in 2012 is sufficient and disagreed with the need for the signatures, but stated that he will be happy to comply with the Vice Chair's suggestion.

Mr. Douglas Rodriguez, Principal of Doral Middle High School, Doral Performing Arts High School and Doral High School, made a brief presentation on the academic accomplishments of the schools.

Mr. Norwood interjected during Mr. Rodriguez's presentation and pointed out that the findings in the report had nothing to do with academics. He also asked the Chief Auditor for a chronology of the events that led to the audit. The Chief Auditor responded that after reviewing the school's financial statements, which his office is required to do, issues were found and presented to the Committee. The issues were extensively discussed and the Committee authorized the audit to be performed and transmitted its deliberations to School Board, which also approved the audit.

Mr. Sanchez-Medina advised Mr. Rodriguez that the presentation should be limited to responses to issues of the report. Mr. Rodriguez asserted that this presentation is responding to the statement in the report regarding the value of what the schools receives in terms of the grant made to the college.

Dr. Feldman observed that one of the ABAC's responsibilities is to review financial transactions presented to it and advise the School Board on what actions it should take to discharge its statutory duties of overseeing the proper use of public tax dollars by charter schools it sponsors. He concurred that the issue before the Committee is not one of academic performance, but of fiscal oversight as reported by the auditors.

Ms. Regalado echoed Dr. Feldman's observations and stated that the School Board routinely receives audits from traditional schools where principals have to respond to findings that are brought before the Committee, and although she understands that this is a difficult process, it is necessary when public funds are being used. She expressed concern as to why after tabling this report at the last ABAC meeting, there is still no resolution to this matter and hoped to find out what went wrong in order to rectify the situation.

Mr. Thornburg concurred that the School Board has the responsibility, according to Florida Statutes, to oversee charter school expenditures and stated that the audit was conducted to ascertain the expenditures were appropriately made. He stated that at the last ABAC meeting, he moved to afford the auditee more time, as requested, to have sufficient time to respond to the audit report. He said that nothing in the auditee's response changed his opinion on what the Chief Auditor reported in his audit report. He stated that Doral Academy has done a great job, but that the School Board has the legal responsibility to see that the school's funds have been appropriately spent.

Mr. Thornburg asked if the school's Governing Board acted prior to the transfer of the \$400,000. Mr. Jimenez responded in the affirmative. Mr. Thornburg then asked the Chief Auditor if he agreed with Mr. Jimenez. The Chief Auditor responded he does not agree with Mr. Jimenez's response.

Mr. Moscowicz expressed concern that the issues still have not been remedied by the school. Mr. McGhee noted that the report states that at June 30, 2012, were it not for the \$400,000 given to the College, the financial statements would have shown a deficit balance. This observation made him question whether public funds were in fact used to offset a deficit and not to provide a benefit to the charter school students.

Mr. Fernando Zulueta, President of Academica, gave a brief explanation about the name change, previously discussed, and stated that the referenced college deficit is only a hypothetical deficit.

Dr. Pérez pointed out that if Doral College operates as a College, the District does not have the authority to approve a charter to operate in that capacity, as it only has the authority to grant charters for K-12 education.

In response to a question by Ms. Regalado regarding dual enrollment classes and accreditation, Mr. Zulueta explained that Doral Academy High School currently has students enrolled in the traditional dual enrollment with Miami-Dade College and Florida International University. He stated that independently from Doral Academy High School, Doral College, Inc., received a license from the State of Florida, and does not need authorization from the School Board. He noted that the Commission of Independent Education issued a separate license to Doral College, Inc., to operate as a college, whereby students in the high school can receive college credits along with their high school credits. Mr. Zulueta made the distinction that this program is not the state's dual enrollment program but an independent dual enrollment program.

Dr. Maria de Armas, Assistant Superintendent for Curriculum and Instruction, K-12 Core Curriculum, asserted that because Doral College is not accredited by the State of Florida, the high school students attending classes at the College cannot legally earn high school credits either. In addition, she stated that college credits earned at the College cannot be transferred to another institution; therefore, it is not the traditional dual enrollment.

Dr. Feldman motioned to accept the audit as submitted and forward all materials, along with the report, to the School Board with the recommendation that the School Board Attorney be prepared to comment on any legal issues that may arise at the meeting.

The motion was seconded by Mr. Thornburg, and carried unanimously as recommended that the **Audit of Questioned Financial Transactions of Doral Academy Charter High School Report** be received and filed by the School Board.

INTERNAL AUDITS:

5. Presentation for 31 of 120 Charter Schools and Two Community Based Organizations (CBO) audited Financial Statements FYE June 30, 2013

The Chief Auditor introduced the above-referenced topic and noted that the certified financial statements for 31 of 120 charter schools and two CBOs were reviewed by personnel in the Office of Management and Compliance Audits (OMCA) and determined to be free of significant fiscal concerns, except for one charter school. The school with issues, Keys Gate Charter High School, is scheduled to be audited fiscal year 2013-14, according to OMCA's approved audit plan.

Dr. Feldman raised concerns about the issues identified on the aforementioned school, noting he was pleased that the school is going to be audited and recommended that the audit be listed under the ABAC's "Unfinished Business" agenda topic.

In response to the Chair's question regarding when the audit of the aforementioned school will be conducted, the Chief Auditor responded that he anticipates to begin the audit by May 2014, because he has only one auditor exclusively designated to charter schools and his office's priority is to review financial statements before engaging in the audit of the school in question. He added that to the school's credit, enrollment has significantly increased.

There was no further discussion. A motion was made by Dr. Feldman, seconded by Mr. Moskowicz, which carried unanimously, to recommend that the **Presentation for 31 of 120 Charter Schools and Two Community Based Organizations Audited Financial Statements FYE June 30, 2013** be received and filed by the School Board.

6. Presentation of the Audit of Magnet Educational Choice Association, Inc. (MECA) for FYE June 30, 2013

Mr. Carlos Trueba, partner of the external auditing firm of Rodriguez, Trueba & Company, made a brief presentation of the above-referenced audit. He stated that MECA's financial statements have shown operating losses for the last two years and corresponding decreases in ending fund balances, with a current deficit of \$1,815 in its unrestricted net assets.

Dr. Feldman pointed out that the purpose of MECA is to provide funds for education and noted that this organization acts as a depository similarly to the Foundation for New Education Initiatives (the Foundation) and asked the Superintendent for his thoughts on the matter. The Superintendent responded that he needs to closely review MECA's financial

statements and associated issues, before considering whether to bring it under the umbrella of the Foundation, as was suggested.

Mr. Moscovicz also observed MECA's declining financial situation and asked if this is an anomaly. Mr. Trueba responded that he has cautioned MECA's management that if this situation continues, the entity will run out of funds in a couple of years.

Ms. Kairalla asked the Superintendent if the emphasis on Magnet Schools has changed. The Superintendent responded that in a recently published article in the *New York Times* it was reported that Magnet Schools (Magnet Programs (MPs)) have changed dramatically. According to the article, MPs were initially used as a tool for desegregation, but are now being used as an opportunity choice for parents in addition to the large repertoire of choice, i.e., Charter Schools, Schools of Choice, Career Academy and K-8 Centers.

Ms. Kairalla suggested renaming MPs, Choice instead, or merge them with honor classes because it has become increasingly complicated for parents to be able to figure out all the wide-range of schools of choice. The Superintendent explained that the MP is a terrific program, but that there are legal requirements that go along with this designation. The Superintendent added that he will consider Ms. Kairalla's suggestion, but reminded everyone present that MECA is an independent entity and he has no control over MECA's decision.

There was no further discussion. A motion was made by Mr. Salver, seconded by Mr. Rasco, which carried unanimously, to recommend that the **Presentation of the Audit of Magnet Educational Choice Association, Inc. (MECA) for FYE June 30, 2013** be received and filed by the School Board.

7. Monthly Financial Report Unaudited – for the Period Ending November 2013

Ms. Connie Pou, Controller, presented the above-referenced report and explained that it is for the period ending November 2013, and was approved by the School Board at its January 2014 meeting.

There was no discussion. This report was presented for informational purposes only; therefore, no transmittal to the School Board by the ABAC was required.

OTHER AUDITS:

8. Office of Management and Compliance Audits' Activity Report

The Chief Auditor presented the above-referenced report reflecting activities that were completed or begun since the prior ABAC meeting. He announced that OMCA hired a new employee who will begin working on February 3, 2014, in the area of School Audits. The Chief Auditor also recognized Mr. Donovan Maginley, Partner for McGladrey LLP (the Firm), for doing school projects every year, noting that during the past Martin Luther King, Jr. Holiday, the Firm provided the paint and supplies and its employees painted the main hallway at Henry Filer Middle School.

The Committee members and everyone present were delighted by the gesture and gave Mr. Maginley a big round of applause. Mr. Maginley thanked the Committee and commented that it was a joint effort between OMCA and the Firm.

In a non-related topic, Mr. Norwood asked if during school audits the auditors ensure that purchases comply with the new procurement policy implemented by the Superintendent, which requires quotes from minority vendors. The Chief Auditor responded in the affirmative and pointed out that there have been school audit reports brought before this Committee where schools were cited for not complying with this procurement policy. The Superintendent emphasized that he developed the new procurement policy and brought it to the School Board for approval. He pointed out that he is using the same policy model for the General Obligation Bond (GOB) implementation and has again requested that OMCA, which is independent from his office and the administration, ensure compliance with the School Board's procurement policy inclusive of Small Business Enterprise, Women Minority Business Enterprise, etc.

Ms. Kairalla proudly announced that the genesis of this policy was an ABAC meeting where a question was raised about the lack of minority participation in the procurement process.

Mr. Thornburg then recognized the Superintendent for being selected as a finalist for the National "Superintendent of the Year" which he remarked was very well deserved and richly earned.

The Superintendent thanked Mr. Thornburg and the Committee for the recognition and enumerated several of the recognitions recently received by M-DCPS, such as 2013 Broad Prize, Advance Placement District of the Year for 2013-14, and the 2014 Florida Tax Watch recognition of the seven best school principals in the State of Florida, five of whom are in M-DCPS.

The Superintendent, however, raised concerns about the District's inability, due to no fault of its own, to collect all the property taxes it is supposed to collect and explained the reasons why. He also pointed out that the recently released budget by the Governor's office, which promises approximately \$500 million of additional funds to K-12 education still leaves M-DCPS below the 2006-07 state allocation.

He said he is monitoring these two issues of concern very closely and offered to bring to the Committee a presentation on the Tax Collection Shortfall.

There was no further discussion. This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

9. Follow-up on Office of School Facilities Rapid Assessment

Mr. Trevor Williams, Assistant Chief Auditor, District Audits, presented a follow-up on the findings and recommendations presented by McGladrey LLP in their "Rapid Assessment" report on the District's capital construction activity, presented to the ABAC at its December meeting. Mr. Williams stated that they reviewed the report and concurred with McGladrey's recommendations that the District may be able to improve its current contract for Construction Management (CM) At-Risk.

Mr. Rasco asked what was the administration's opinion. Mr. Jaime G. Torrens, Chief Facilities Officer, responded that they are collaborating with the School Board Attorney's office to modify the contract for CM At-Risk in order to include buy-out provisions and ensure that it is being properly reconciled.

The Committee was pleased with the report.

There was no further discussion. This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

10. Update on FRIENDS' of WLRN By-Laws

The School Board Attorney, Mr. Walter Harvey, provided an update on the by-laws of FRIENDS of WLRN (FRIENDS), which was requested at the last ABAC meeting. He mentioned that he received a report regarding modifications previously suggested by School Board Chair, Ms. Perla Tabares Hantman to FRIENDS' by-laws. He emphasized that the modifications clarify that FRIENDS' fundraising efforts are solely for the benefit of WLRN television and radio stations. He also explained that Article VII, which applies to personnel-related policies and procedures, has been amended and adopted. Mr. Harvey noted that the revisions included the restoration of powers of the Superintendent taken away by changes to the by-laws in 1995. These powers dealt with the appointment process for FRIENDS' CEO, as well as the approval of all by-laws amendments by the Superintendent. Mr. Harvey concluded by stating that FRIENDS approved all the suggestions proffered by Ms. Hantman, except for one, and ratified the changes at its September 25, 2013, meeting. The only suggestion not ratified dealt with the Superintendent's authority to remove any member of FRIENDS from its Board. This issue was being legally researched, because according to FRIENDS' administration, it may not be legal.

Dr. Feldman asked the School Board Attorney if he is sure that all of the School Board Chair's suggestions were implemented into FRIENDS' by-laws. Mr. Harvey asserted that all the School Board Chair's suggestions (except for the one he had just described) were incorporated into FRIENDS' by-laws and adopted in September 2013.

The Superintendent commented that the School Board Chair had also expressed concern about FRIENDS not notifying the School Board about their regular meetings and events. He shared some objections about the administration of FRIENDS' finances, especially the high salaries being paid to some employees and noted that he would like to revisit this matter. He mentioned that he has put FRIENDS on notice, with a formal letter, that contains a number of demands for information.

Mr. Thornburg asked the School Board Chair if she was satisfied that her suggestions have been incorporated, with the exception of one. Ms. Hantman responded that she was very pleased with FRIENDS' adoption of her recommendations, but was disappointed that it has taken so many years to incorporate the suggestions. Ms. Hantman also expressed concern about FRIENDS not notifying the School Board about their regular meetings. She lamented that most of their meetings have been scheduled to take place in Broward County, which makes attending these meetings more difficult. She noted that regardless of the location, it is important for her School Board appointee and the alternate to attend.

The Superintendent added that he would revisit, in collaboration with the School Board Attorney, the recommendation not adopted by FRIENDS regarding his authority to remove members of FRIENDS' Board for cause, which in his opinion, provides proper checks and balances.

There was no further discussion. This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

Adjournment

There being no further business to come before the Committee and upon motion duly made and seconded, the meeting was adjourned by Mr. Jeffrey Shapiro at 2:47 p.m.

The agenda items were discussed in the following order:

1,2,4,3,5,6,7,8,9,10.

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