

FAU-Treasure Coast University School, Inc. Special Budget Board Meeting  
Friday, August 31, 2012  
3:00pm  
Palm Pointe Educational Research School @ Tradition  
10680 Academic Way  
Port St. Lucie, FL 34987

I Call to Order/Approval of Agenda

Call to order made by Ms. Deborah Hawley at 3:13 p.m.

**Motion** - Motion to approve the agenda made by Ms Sandra Wolfe

**Second** - Seconded by Dr. Valerie Bristor

**Unanimous Approval**

II. Pledge of Allegiance to the Flag of the United States of America

The Pledge of Allegiance was not recited.

III. Welcome

Board members present:

Ms. Deborah Hawley, St. Lucie Business/Citizen Representative, Chair

Dr. Joel Herbst, Florida Atlantic University, Asst. Dean, PK-12 Schools and Programs:  
CEO, TCUS

Dr. Al Jurenas, Florida Atlantic University, Professor, COE

Dr. Jack Scott, Florida Atlantic University, Professor, COE

Ms. Sandra Wolfe, St. Lucie County School District, Deputy Superintendent

Dr. Valerie Bristor, Florida Atlantic University, Dean & Professor, COE

Mr. Max Kerick, Palm Pointe/Parent Representative

Board Members not present

Mr. Joe Smith, St. Lucie County, Clerk of Court

Dr. Eliah j. Watlington, Florida Atlantic University, Associate Dean, Northern Campuses

Others who were present:

Ms. Debra Snyder, Principal, Palm Pointe Educational Research School @ Tradition

Ms. Ibis Villasuso, Recording Secretary

IV. Introductions

None

V. Approval of Minutes

Approval of minutes will be dispensed on September 14, 2012

VL. Recognitions and Awards

None

VII Reports

Principal's Report:

Ms. Snyder spoke about the FCAT results. Dr. Snyder informed Board they have posted open enrollment and given a deadline of 9/15/2012.

CEO Budget Report

Purpose of Meeting:

In accordance with 1011.02 Florida Statutes, The FAU-Treasure Coast University Boards is required to Act on the Proposed Budget for the Fiscal Year 2012-2013, and any other budget items the Board deems necessary.

Requested Action for 10 Items addressed by Dr. Joel Herbst in his budget report

1A. Federal Entitlement

Approve proposed budget(s) for: Title I, Part A; Improving the Academic Achievement of the Disadvantaged 2012-2013; Title II, Part A and Principal Training and Recruiting Fund 2012-2013; IDEA Part B, Entitlement 2012-2013 and IDEA Part B, Preschool.

Dr. Herbst explained in accordance with the requirement set forth in the Charter between the Board of Trustees of Florida Atlantic University and FAU-Treasure Coast University Schools, Inc., ARTICLE IV-GENERAL PROVISIONS, Section 4.01, Subsection 4.01.1 the FAU –TCUS, Inc. Board shall review the entitlement narrative and approve the budget.

Total proposed allocation: \$858,812

Dr. Herbst presented four exhibits and detailed how grants work. In addition, he spoke about the Federal and State Audit.

**Motion**-Motion to approve proposed budget item was made by Dr. Valerie Bristol

**Second**-Seconded by Dr. Al Jurenas

**Unanimous Approval**

2A. Administrative Fee Reduction

To approve proposed budget revenue for 2012-2013 in accordance with Florida Statute 1002.22(20) (2)

Dr. Herbst explained Palm Pointe Educational Research School at Tradition meets the requirements of a high-performing charter school as defined by Florida Statute 1002.331

and therefore may realize a reduction of the 5-percent administrative fee for enrollment of the first 250 students to a 2-percent administrative fee for the first 250 students. Dr. Herbst stated Palm Pointe is identified as a high performance school, has received “A” every year for the past four years.

Dr. Herbst presented the financial impact for 2011-2012 allocation was \$67,723. The total proposed allocation for 2012-2013 is \$30,430.62.

Motion-Motion to approve proposed budget item was made by Dr. Valerie Bristor  
Second-Seconded by Ms. Sandra Wolfe

### 3A. Independent Accountant’s Report 2009, 2010 and 2011

Dr. Herbst presented in accordance with the requirement set forth in the Charter between the Board of Trustees of Florida Atlantic University and FAU-Treasure Coast University Schools, Inc., ARTICLE I- GENERAL PROVISIONS, Section 1.14, Subsection 1.14.3 the FAU-TCUS, Inc., the board must review financial records of TCUS, Inc. including revenues and expenditures. In accordance with Florida Statute 1002.33 Charter Schools, Section (5), Subsection 2b. Dr. Herbst stated there have been two issues which have been dealt with for accountant report year 2009. The funding and recommendation audit of 2010, 2011 or 2012 has not been done. The financial total impact for professional services rendered was \$15,000.00.

Motion-Motion to approve transmittal of independent accountant’s report 2009-2011 was made by Ms. Sandra Wolfe

Second-Seconded by Dr. Al Jurenas

### 4A. Bond Debt Service

Dr. Herbst asked for review and to receive annual update of Bond Debt Service, School Board of St. Lucie County \$21,865,000 COP, Series 2007 FAU Lab School. A lengthy discussion ensued with Board Chair Hawley and Dr. Herbst about reasons why running deficits and concerns about going to legal action. Mr. Herbst informed the deficit will come to crossroad in 36 months. The Board has to come to a determination on how deficit will be dealt. Dr. Herbst noted the need to refinance the debt until 2017 and can become expensive. Dr. Herbst explained in detail his findings and the thorough audit he and staff has conducted in the past 4 months to bring forward this report. Several questions were directed to Dr. Herbst pertaining to the deficit. Dr. Herbst recommends pursue legal service action funding equivalent through state action. Dr. Herbst stated the Board Chair Hawley can write letter to the funding commission and request a portion of the 55 million allocated to charter schools to debt service with guidance of an attorney as to what the letter should say. Dr. Herbst has consulted with Ms. Elizabeth Rubin who assisted and can help board on training to make approvals. The purpose is to inform the Board where we stand financially.

The financial annual debt service is \$1,518,093.76. Board Chair Hawley stated due to the debt service is not good the board will take time to review before making a motion on next board meeting of September 14.

#### 5A. Agreement for Food Service

Dr. Herbst explained in accordance with the Charter between the Board of Trustees of Florida Atlantic University and FAU-Treasure Coast University Schools, Inc. Article IV- Financial Accountability, Section 4.03 Administration and Management, 4.05 Food Service. As well as Article I – Special Conditions Section 1.01 provides the opportunity for renewal through written amendment. There is no financial impact. (Dr. Valerie Bristor stepped out of room for vote).

Motion-Motion to approve the agreement for service was made by Dr. Al Jurenas  
Second-Seconded by Ms. Sandra Wolfe

#### 6A. FAU-Treasure Coast University School, Inc. fund Balance

Dr. Herbst presented a review for 2012-2013 Fund balance. The financial impact as of June 30, 2012 the FAU-TCUS fund balance is approximately \$1,800,000.00. This information was provided by Mr. Bergeron of St. Lucie School District. The board will take time to review before making a motion on next Board meeting of September 14.

#### 7A. PAEC Gateway Student System Consortium Resolution and Contract for District Participation

Dr. Herbst informed the board with review of PAEC agreement. The data reporting contract services; this will be the last year this data will be presented. This will no longer be paid out to consulting service to develop our data. The data will be done in house at AD Henderson at no cost to the board. The financial impact is \$11,777.28. No motion is necessary.

#### 8A. Board of Director Insurance

Dr. Herbst asked for each board member to remove action item from binder and retain for their records as a reference. Board Chair Hawley called to have receipt for acknowledgement and to have each board member sign the attendance record sheet to reflect in minutes for record. The financial impact previously approved (June 8<sup>th</sup>, 2012) Board Agenda Item (8A) \$8,625.69

#### 9A. Reimbursement FAU-Treasure Coast University Schools, Inc.

Dr. Herbst recommends approving reimbursement from FAU-Treasure Coast University Schools, Inc. to Florida Atlantic University. (Dr. Valerie Bristor returned to room and Dr. Jack Scott came into the room). Dr. Herbst presented the 2008-2012 expenditures were

made in accordance with the Charter between the Board of Trustees of Florida Atlantic University and FAU-Treasure Coast University Schools, Inc. Section IV- Financial Accountability, Subsection 4.03 Administration and Management 4.03.4 Services provided by FAU and/or SBSLC by Florida Atlantic University for Treasure Coast University Schools as well as Article V – Human Resources Section 5.02 Contracted Staffing. These expenditures should have been charged to Treasure Coast University Schools, Inc. Dr. Herbst stated a dual sponsor exists between St. Lucie School District and FAU. All expenses brought to you on the items listed were brought to you on your behalf. One example Dr. Herbst presented is FAU covered expenses such as St. Lucie broadcasters to help recruit students to the school. Translation services paid for parents who spoke creole or Spanish. Dr. Herbst, found no record of approval in minutes for the past 4 years of expenses incurred. Dr. Herbst informed the board the Charter and articles by laws requires these expenditures to be approved and allows the CEO to act upon approval but not without approval. Dr. Herbst further stated, “you all have board functions and these services have been provided but the board has not been party to the decision making.” In order to clean this up, these last three years to go forward all these items will be brought to you for expenses and you have to approve those expenses for Florida statutes. A lengthy discussion ensued with Dr. Jack Scott, Ms. Sandra Wolfe, Dr. Al Jurenas and Board Chair Deborah Hawley about the expenses incurred which should have been brought to their attention for approval and was not. Dr. Herbst stated on September 14, will have Board training under the sunshine law and provided by Elizabeth Rubin to let you know what you are responsible for. Dr. Herbst has set up to move forward and to provide a plan report which will constitute to define the budget expenses and present to the Board for prior approval. Board Chair Hawley agreed to proceed forward.

The financial impact is \$197,661 source of funds will be the Treasure Coast University Schools, Inc. fund balance move to FAU.

Motion-Motion to approve reimbursement was made by Dr. Jack Scott

Second- Seconded by Mr. Max Kerick

10A. 2012-2013 FAU-Treasure Coast University School, Inc. Proposed Budget

Dr. Herbst presented the school board shall adopt a tentative budget in accordance with Florida Statue 1011.02.

Chair Hawley noted the Board acted upon knowledge of what was presented to us. We are responsible and will move forward. The financial impact is \$201,482. Funds to be provided by revenue generated in accordance with Florida Statue 1003.01(3) as well as the Treasure Coast University Schools, Inc. fund balance. In addition, several questions were directed to Dr. Herbst concerning the budget. Chair Hawley recommend the Board take some time to review action item and Ms. Sandra Wolfe supported for Board to review before any motion.

VIII Discussion Items

Tentative Agenda for September 14, 2012

1. Board Governance (Government in the Sunshine presentation, Review Bylaws and Conflict of Interest Policy)
2. Race to the Top District Participation (RTTT)-
3. Bonding for Board of Directors
4. Charter Article IV – Financial Accountability Section 4.04, Subsection 4.01.1 Operating Revenue
5. Cafeteria Logistic Procedure
6. Proposed Budget of 2012-2014

IX Old Business

None

IX. Public Comment

Dr. Jurenas commended Dr. Herbst for completeness of report provided.

X Announcements, Communications, Board Comments

Dr. Herbst asked for Board members to submit any questions they may have through email by September 10<sup>th</sup>.

XI Adjournment

Chairperson Ms. Hawley adjourned the meeting at 5:01 p.m.  
Next meeting is scheduled September 14, 2012