

February 21, 2012 Meeting Minutes

MEETING
OF THE SUPERINTENDENT'S
SPLOST OVERSIGHT COMMITTEE

Sam Moss Center, 1780 Montreal Rd Tucker GA, 30084

February 21, 2012

Chair, Mr. Baisier called the meeting to order at 6:02pm.

Present at the meeting were: Paul Baisier, Narwana D. el-Shabazz, B.R. "Billy Ray" Jones, Kirk A. Nooks, Kerry Williams, Delilah Wynn-Brown, Christine Avers, Charlie Rogers, Cathy Blakeney, Wyvern Budram, and Kimberly Mitchell.

DCSD staff also present: Joshua Williams, John Jambro, Daniel Drake, and Jessica Leterle.

APPROVAL OF AGENDA

Motion to approve agenda by the Chair, Members approved.

APPROVAL OF NOVEMBER 15 AND DEC 13 MEETING MINUTES

Minutes circulated from November and December Meetings - Chair asked for comments, none were given.

Motion to approve Minutes by the Chair, Members approved.

APPROVAL OF THE BYLAWS

Mr. Drake addressed Section 2.2 in which "the Board" is defined as DeKalb BOE. Motion to approve changes of bylaw, approved.

"PERFORMANCE OF SPLOST AUDIT" PRESENTATION

Presentation by Mr. Neil Vitro of Cherry Bekaert for FY 2011 (FY 2012 cannot be finished until AFR completed, which is anticipated in March).

Members asked the following questions of Mr. Vitro regarding the audit and its findings:

Ms. Wynn-Brown asked if there someone to whom the auditors could use for historical data for 2011 and Mr. Vitro responded that Mr. Josh Williams, Mr. Byron Farmer and Ms. Nikki Marshall were able to supply them with the necessary data. Mr. Vitro then provided procedural details of the audit.

Ms. Avers asked if there was information that the auditors could not get. Mr. Vito stated the auditors were able to get all the information need, despite the delays and confusion during that time.

Mr. Jones asked why there were differences comparing costs of DeKalb to other counties in the area. Mr. Vitro said that the audiors concluded that DeKalb prioritized spending differently, spending less

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on IT and much more on Capital Construction (compared to Cobb, Clayton, Fulton, Gwinnett). Mr. Jones clarifies that the “cost per student/mile” is higher in DeKalb in comparison to the other counties. Mr. Vitro agrees that Dekalb is more expensive in comparison, but also has higher cost of living than Clayton, for instance, and that other variables are also involved. The costs are high, but it is not an outlier. Mr. Nooks asked if the auditors are able to disaggregate the data by district. Mr. Vitro says yes, that is information the auditors have.

Mr. Rogers asked that if the square mile approach is not useful, then why is it being used. Mr. Vitro responds the the auditors’ goal was to aggregate the information and raise the questions to make decisions, but disaggregated data is available. Mr. Rogers suggested that the Members take the time to review the presentation and filter any questions they have through the Chair. The Members agree, and the Chair will send over questions to Mr. Vitro for his review.

Ms. El-Shabazz asked if there has been a change now that DCSD has this information and who is answering for it. There was concern is that there is a high level of scrutiny, due to the current environment in DCSD, and there needs to be accountability if there is a problem. Mr. Drake informed the Members that IT vs Construction information will be provided to the Board and it will help DCSD make decisions for future SPLOST programs. 2012 will be finished soon and published. URS is already geared up for SPLOST IV and FY 2013.

Mr. Baisier asked if there been a software solutions offered (for a problem pointed out in the audit). This issue is being resolved by the new software provided by URS for SPLOST IV.

Ms. Avers asked if there are enough details on vendors within the county to see that we are paying approximately the same price for things. Mr. Drake responds that this is not what the audit information is being used for. It is just review of the 28 projects the voters approved. Mr. J. Williams added that DCSD now has CMS and P6 software to track this information, moving forward. Ms. Avers asked if this information is being used for QC or comparing vendors. Mr. J. Williams responded that DCSD now owns the data and can more easily run the queries to deal with issues. This is a new accountability structure that was created after Parsons left (SPLOST III).

Mr. Budram asked if there was any audit of Change Orders. Mr. Vitro stated that the audit uncovered no issues with COs, which were checked against Board approvals, etc. Auditors made sure all COs followed procedures for signatures, etc. Mr. Budram clarified whether there was any research done as to why a CO was initiated. Mr. Vitro stated that QC in the audit was done at a higher lever, such as making sure contractors were credible and appropriately insured, etc. The quality of work was not assessed by auditors, they just made sure things were done within guidelines (procedural). Mr. Budram stated that COs could be skewing costs, and Members do not know why the COs are there. Mr. Vitro replied that all counties run into issues and need COs, nothing was out of the ordinary with DCSD COs.

Mr. Baisier referenced #9 in the presentaion and stated that it seemed to lead people to believe that DCSD is overspending on construction, but that doesn't speak to the amount spent based on necessity. DCSD had accumulated need for construction. Mr. Vitro repsonded by saying that spending tends to have a cyclical nature. SPLOST programs could be more intensive on IT, Constructions, etc based on needs of the district. This is typical. DCSD spent significantly less on IT, and significantly more on construction. Mr. Jones again stated the need disaggregate data to make sure this is the real reason for

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the difference. Mr. Vitro replied that this level of detail is standard for the districts, but they can drill down the data if needed.

Mr. Baisier asked if there are prior audits. Mr. Vitro said that there are, by a predecessor audit firm. 2010 was the last issue.

Mr. Baisier noted SPLOST III is short, based on miscalculation on the bond issue, and asked when will this show up in the audit findings. Mr. Vitro said this should appear by the end of FY 2012 (end of SPLOST III). Mr. Baisier followed up whether that would have shown up on a prior audit. Mr. Vitro clarified that the audit being presented is a “control and process” audit, less than financial one. This is on audit looking at compliance regarding law and processes. Ms. Avers asked if there is a financial audit. Mr. Vitro replied that the financial audit was done by a different firm, with a different report for expenditures. Mr. Drake offered that DCSD staff could reach out to the finance department and try to provide it to the Members.

Mr. Baisier asked what the auditors used to determine that funds were spent efficiently and economically. Mr. Vitro replied that this analysis was based on GA Law, woven into 8 bullet points (reference to presentation packet).

Mr. Nooks asked if the compliance audit and financial audit are completed at the same time, and Mr. Vitro stated that the compliance audit relies upon the financial audit to be completed. Mr. Nooks asked if during the time with the challenges with accounting (during 2011), does the compliance audit reflect those issues. Mr. Vitro replied that the audit does not. The auditors were aware of the issues based on the difficulty of receiving data, but eventually all the data collected.

Ms. Blakeney asked when the Chair needs Members’ questions regarding the audit, the Chair replied that March 4th would be the deadline to submit questions.

REVENUE COLLECTION PROCESS PRESENTATION

By Mr. John Jambro and Mr. David Lamutt

Questions and Clarifications on Presentation:

In regards to collecting more revenue than projected, Mr. Drake informed the Members that based on the lessons learned from SPLOST III, DCSD will wait until year 4 (of the SPLOST Program) to add projects if SPLOST IV is coming in over projected revenue. Mr. Budram asked if DCSD would consider an earlier start on projects based on higher than projected revenue. The answer was yes, earlier *start* on projects, but *additional* projects would not be considered until later in the program. Mr. J. Williams clarified that DCSD will not start projects early until it is known that there will be enough money for the entire Program. Major projects are scheduled to address this, while smaller projects act as buffer.

Mr. Baisier asked what account is money for SPLOST IV going into, and whether it can be assured that the District is not using the money for other purposes. Mr. Budram furthered the question by asking if there are policies to prevent this from happening, as it is known to have happened before. Mr. J. Williams responds that the funds are kept separate and there is less liberty with a “pay as you go” plan (which is how SPLOST IV is setup). The SPLOST IV Program is less flush with cash this time

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around. Ms. Avers asked if the SPLOST III and IV funds are incommingled in accounts. Mr. J. Williams answered that they are not and that all the SPLOST III money is already committed.

REPLACING MR. GENE WISE

DCSD Facilities Department has a recommendation for the Superintendent, who has been picked from the previous pool of candidates and has already been interviewed.

FIRST REPORT TO BE CREATED BY COMMITTEE

Mr. Baisier suggested that the first report should discuss what the Members have done up to now, describing their meetings and intentions. Mr. Jones asked if this report is intended for the constituents of DeKalb. It was clarified that the report is for the Superintendent, but will be published on the website.

Mr. Baisier asked for volunteers to do first report and Ms. Blakeney offered to support with first draft with Chair. After this draft is completed the Members can comment on it and prepare for March 31 final draft.

DISCUSSION OF ADDITIONAL INFO NEEDED FROM DCSD STAFF

Mr. Rogers indicated that he would like to focus on procurement process and the documents that show the process that should be followed. Mr. Jambro said that DCSD staff can present that to Members. Mr. Budram requested a one paragraph summary on each projects.

Mr. J. Williams informed the Members that eBoard can be used as a resource for information, for example there are copies of template contracts. However, Mr. Budram is concerned that unless someone knows exactly which meetings to look at, this information could take long time to pull. Ms. El-Shabazz volunteered to pull the necessary information. Mr. J. Williams then walked through an example on eBoard (for ES Prototype) to illustrate where information could be found. Requests for information can be filtered through the Committee Chair to DCSD staff.

Mr. Jones asked what DCSD has in place to ensure that a HV/AC unit, for instance, will be maintained. Mr. J. Williams responded that training is done for new systems and operation manuals are part of the closeout process. New specs also include equipment that DCSD staff is already trained on.

Mr. Baisier stated that it looks like the Members have the ability to access the information that they are in need of. The COs process is also something that needs to be look at and asked how Members will follow this process, and if they want to. If so, what information do they need? Mr. Drake suggested that they start with explaining the process, if the Members want DCSD staff to hone in on the procurement or CO process that can be done. Mr. Drake asked if Members would like to do this at a meeting on a Saturday, weekday, etc. Members indicated an interest for this. Mr. Jambro said that during the week is easiest and the Chair offers to set up a day that people will try and be able to make. Mr. Drake said that DCSD staff can present the process on March 14th (next meeting).

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Mr. Jones asked if Members are looking at the program overall, or at individual projects. The Committee is responsible to the whole county, but will things be missed at a lower level by all looking at the top level? Ms. Wynn-Brown said that the MSR gets pretty detailed for those purposes.

OTHER BUSINESS

There are question regarding new Superintendent and whether the Committee will be continuing to provide support to him. DCSD staff has checked with Mr. Thurmond, and the Committee is to continue on with its duties.

ADJOURN

Chair moved to adjourn at 8:02p.m. Members consented and the meeting adjourned.