

Approved in Open Board Meeting June 21, 2016

**THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT**

**April 26, 2016
Tuesday, 9:00 a.m.**

MINUTES OF SPECIAL MEETING

The School Board of Broward County, Florida, met in special session at 9:30 a.m., Tuesday, April 26, 2016, in the Board Room of the Kathleen C. Wright Administrative Center, 600 Southeast Third Avenue, Fort Lauderdale, Florida. Present were: School Board Members, Dr. Rosalind Osgood, Chair; Abby M. Freedman, Vice Chair (via teleconference); Robin Bartleman; Heather Brinkworth; Patricia Good; Donna P. Korn (via teleconference); Laurie Rich Levinson; Ann Murray; Nora Rupert; Robert W. Runcie, Superintendent of Schools; and Barbara J. Myrick, Esq.

Call to Order The Call to Order was followed by the Pledge of Allegiance to the Flag of the United States of America.

Close Agenda Upon motion by Mrs. Good, seconded by Mrs. Rupert and carried, the Agenda was approved and declared closed. Mrs. Freedman and Ms. Korn were absent for the vote. (7-0 vote)

Moments of Silence were held for two students at South Broward High School.

Purpose Of Meeting For The School Board of Broward County, Florida to Approve the Renewal of the Lease Agreement between The School Board of Broward County, Florida, and BrightStar Credit Union, and any other items the Board deems necessary.

Superintendent's Recommendation:

1. Renewal of Lease Agreement between The School Board of Broward County, Florida, and BrightStar Credit Union (Approved)

Motion made by Mrs. Rupert, seconded by Mrs. Brinkworth and carried, to approve the renewal of the Lease Agreement between The School Board of Broward County, Florida (SBBC), and BrightStar Credit Union. (9-0 vote)

Mrs. Good asked staff to point out what changes had been made since they were not indicated either by strikethroughs or underlined marks.

Leslie Brown, Chief Portfolio Services Officer, referred to Section 2.02 on page 2, and stated the request was to include a copy of the floor plan depicting the leased property, which was attached as Exhibit A. The second request was that it be added to the agreement. The next recommendation in Section 2.03 pertained to the hours of operation, which were noted in both a. and b. The heating and air conditioning would be addressed during the hours of operation.

In addition, Mrs. Brown said any language referencing Consumer Price Index (CPI) had been removed and an annual flat rate of 3% would be used in its place. In Section 2.05, there was a request to look at the Americans with Disabilities Act (ADA) compliance, as well as the "leased" property and not just "a" property, so the word "leased" was added for clarification purposes. Referring to Section 2.08, d., Mrs. Brown noted they changed the reasonable notice from 72 hours to 24 hours. In Section 2.09 was where the heating and air conditioning would be provided by the square footage. Under 2.13, for Utilities, there was an extra line that stated, "as provided below" and that language was removed. The last item was the insurance and it was sent back to Risk Management. In the previous agreement, it basically looked at property damage and damage insurance. She said they clarified the different types of insurance the Lessee needed to have and in Section 2.14 those pieces were added.

Mrs. Good thought this appeared to be a new lease agreement because of the wording and suggested changing the title. In addition, she asked staff when this item comes back to the Board, to underline and strikethrough the changes.

Ms. Korn inquired about the termination rights.

Mrs. Brown stated it was changed from base rent to gross rent, giving 90-days written notice, and changing six (6) months of base rent to gross rent. It was at the request of BrightStar and their attorneys to keep the termination language. BrightStar would have the right to terminate day one (1) of the lease, as there were no minimum time requirements.

Ms. Korn did not see any reference made to the drive-thru itself as far as who was responsible for the cost of repairs, maintenance, and such, and she wanted to have that added. In going back to the termination part, if BrightStar terminated on day one, what would the cost be to the District.

Mrs. Brown replied it would be the loss of the ability to pay the heating and air conditioning for that leased space.

Ms. Korn tried to clarify that no funds were being given to them to improve the space so, in other words, they were taking the space as is.

Mrs. Brown replied that was correct.

Ms. Korn continued saying with commercial real estate being her background, she would never agree to giving a tenant a right to an out clause in a lease that is five (5) years for the tenant. She understood the landlord would be retaining that, but she could not understand the philosophy behind why the District would enter into a five-year lease with a tenant and give them the right to terminate with only six (6) months penalty at any given time. Ms. Korn stated she understood the benefit to employee having them housed there, but there was also a significant benefit to BrightStar to be that convenient and to be able to service and expand their own clients by being right there on site. She felt it was a bad business decision to put the District in this position; however, she was not looking to not support BrightStar. In the future she would have zero interest in supporting or allowing a tenant to terminate a lease day one (1) with a six-month penalty.

In addition, Ms. Korn said BrightStar was receiving a slightly below market rate and they were not paying any money for the drive-thru area.

Mrs. Brown responded this contract was a 3-year contract and they were trying to stay away from 5-years per Board direction; however, she appreciated the knowledge.

Ms. Korn stated three (3) years would be the minimum they should ever commit to in a commercial real estate lease, so why would they ever enter into a lease where they could terminate in less than three (3) years. She did not understand the business decision that went into it. In this case, the District has the valuable asset and is holding the lease. It would make sense to have a length of term so there would be stability for that income.

Mrs. Good asked if her colleague would have felt more comfortable considering in the termination clause under 3.05 the notice to be longer than 90 days.

Ms. Korn commented yes it would make a difference, but that was not what they were trying to accomplish here. She would support the item; however, her concern was that she did not see a benefit for a termination right provided to the tenant at all on this 3-year lease. She did not understand why the flexibility was being given to the tenant.

Mrs. Rupert supported her colleagues and requested the underlined amendments as well. She agreed that there was a difference between the District being the Lessor and the Lessee. She supported the ideas of her colleague's expertise and asked staff to look into them further.

Mrs. Freedman concurred with her colleague and believed the leases in commercial real estate should be beyond six (6) months. BrightStar has been a good partner and she believed concessions with the drive-thru and below market rate have been given due to that partnership. She felt the three (3) years should be changed to one (1) year before they move forward and asked to motion the change.

Motion to Amend (Died)

Motion was made by Mrs. Freedman to amend the term from 3 years to 1 year. Motion died for lack of a second.

Ms. Freedman stated she would still support this item, but did not believe the time was adequate on behalf of the tenant.

Mrs. Good verified in the event of a termination, BrightStar would only have to pay six (6) months gross rent and give 90 days written notice.

Mrs. Brown acknowledged that was correct and the lease would end April 30, 2019.

Mrs. Good understood affording BrightStar the opportunity to get out of the lease based on their partnership; however, she believed a longer notice provision would have been more acceptable.

A vote was taken on this item.

2. Recommendation for Additional Spending Authority - 14-018R - Supply and Install Sod (MEMO TO VOTE DOWN) (Not Approved)

Motion made by Mrs. Rupert, seconded by Mrs. Brinkworth to approve an increase in spending authority for the above contract. Contract Term: November 1, 2013 through December 31, 2016, 3 Years, 2 Months; User Department: Physical Plant Operations; New Award Amount: \$830,347; Awarded Vendor(s): Odums Sod, Inc.; M/WBE Vendor(s): Odums Sod, Inc. (0-9 vote)

No discussion was held on this item.

A vote was taken on this item.

3. Recommendation for Additional Spending Authority - 14-018R - Supply and Install Sod (Not Approved)

Motion made by Mrs. Rupert, seconded by Mrs. Brinkworth to approve an increase in spending authority for the above contract. Contract Term: November 1, 2013 through December 31, 2016, 3 Years, 2 Months; User Department: Physical Plant Operations; New Award Amount: \$830,347; Awarded Vendor(s): Odums Sod, Inc.; M/WBE Vendor(s): Odums Sod, Inc. (0-9 vote)

Mrs. Rupert stated she had concerns at the last meeting regarding the \$400,000 and which projects justified that cost. Since the amount was reduced, she wanted to know specifically, what was accomplished with that amount of money; hence, the information provided by staff. She referred to page 2 of the new backup and did not understand why an employee's name was added to the school list and the reason given. She asked staff which school represented the \$374 invoice.

Mary Coker, Director, Procurement & Warehousing Services, replied they requested all invoices from the vendor and found the name Rich Ellis, which was the mistake of the vendor to put his name on two of the invoices. She did not have the name of the school but found it was for patchwork. Of the four schools she inquired about, one of the schools was complete, which was Coconut Creek High. The \$36,000 was work for Pompano Beach High from a prior request.

Leo Bobadilla, Chief Facilities Officer, added the \$374 invoice was for Plantation High School.

Mrs. Rupert sent her questions to staff on Friday and did not understand why she was not given the information about Rich Ellis being on the list Friday if staff knew about it then. She said the Pompano Beach High invoice was inadvertently merged with Pompano Beach Elementary and included the stadium sod. At the bottom of the sheet, it stated the price did not include the football stadium and she asked staff to explain the difference.

Sam Bays, Director, Physical Plant Operations, replied there were two major projects at Pompano Beach High, the ball field and the demolition projects. The ball field was addressed before they came to the Board in June last year for an additional request.

Mrs. Rupert stated it could have been taken off the spend authority. The Board was told last June \$400,000 was needed for specific projects to be completed. The amount was reduced and she wanted to know exactly what was done. Last week staff said they were not sure of the completed projects. She did not feel she needed to go through each line. In the rush to get it to the Board it caused mistakes, so if this comes back it would need a lot more work. This was not a complete work product for her to support at this time. She said she only asked about the four schools and it should have been clearly delineated which ones were completed.

Mrs. Good appreciated her colleague's comments and stated she also had difficulty following the information for this item. She said staff should have demonstrated the need for their request and how they spent the dollars. For her to approve this item she needed to know that information so she and the public could easily understand it. A statement cannot be made without backing it up. Mrs. Good inquired why the two school fields were not started.

Mr. Bays replied the two most urgent needs were for the other schools, Pompano Beach High and Coconut Creek High. Miramar High would be the next school in the queue and McArthur High would immediately follow. There were a total of 15 high school fields in the cost analysis report that required some degree of repair.

Mrs. Good stated the missing piece from this item was how the \$495,000 was spent. For the projects that were approved and were not completed, staff would need to list those and what it would cost to complete those projects, as well as how the additional money would be used.

Mrs. Rupert requested that the maintenance repairs for the 15 high school football fields be delineated if this item is brought back to the Board.

Mrs. Brinkworth thanked her colleagues for their questions and she was also confused as to what was or not completed. She said the note at the bottom of the page regarding Pompano Beach High raised a big flag with her. She questioned if the invoice for \$36,645 included the football field or not for Pompano Beach High.

Ms. Coker responded it was included prior to the ask.

Mrs. Brinkworth asked the Superintendent to follow-up on the two employees who appeared on the vendor's invoice list and to verify that the work was completed at those two schools by staff. She said Miramar High and McArthur High were not captured on pages 2 or 3, for 2015 or 2016 spend authority. She said when staff was asking for a spend authority and did not use the spend authority on what was asked for previously, she could not support the item.

Mr. Bobadilla responded he plans to get more involved before bringing items before the Board. The issue of invoices and names of employees was a quality control issue that they needed to improve on. He said they would verify the two schools and need to communicate and follow-up that work has been completed at all schools. He indicated they were working to have a more robust work order system to procure a new system that would help with tracking and monitoring.

Mr. Runcie added for clarification the basic issues were: the way the information was presented was not clear; what was completed with the \$495,000; what projects would be used for the new ask; the projects amounts and dates with each need to be listed; the work being done with the 15 fields needed to be listed; and need to verify work that has been completed, especially with the person's name associated with it, as well as verifying the controls in place with it. He said he would walk this item through with staff because it was not in the right form for the Board to approve.

Mrs. Rich Levinson thanked and concurred with her colleagues and the Superintendent for their comments. Concerning to her was the individual's name on the invoice, who took the information, and how it could be traced. In addition, regarding the previous \$145,000, Blanche Ely High was not even on the new ask, so the concern was that the Board needed to see every item and she looked forward to receiving that information.

Ms. Korn appreciated what her colleagues shared and the direction the Superintendent was giving staff. She stated the purpose of the spend authority is a checks and balance. It is a way for them to review and ensure everything senior staff is doing has their approval. She hoped staff appreciated this and that it gave them guidance in terms of what they bring back to the Board each time those items come forward.

Dr. Osgood thanked her colleagues and hoped staff looked at this as a matrix as this is where it started, this is what happened, this is where it is now, and this is what is needed. She said to think of it as a flow chart. The frustration is not having a paper trail to connect all of it together.

The Chair received input from the audience on this item.

A vote was taken on this item.

Adjournment Motion was made by Mrs. Rupert, seconded by Mrs. Brinkworth and carried to adjourn the meeting. (9-0 vote) This meeting was adjourned at 11:34 a.m.

/dvn