

Gallatin County Board of Education Meeting
November 11, 2013 5:30 PM
Wallace Central Office Building

Attendance Taken at 5:30 PM:

Present Board Members:

Mrs. Sonya Giles
Mr. David Morris
Mr. Chad Murray
Mr. Alex Tainsh

Absent Board Members:

Mr. Dicky Wilson
Student Board Member Curtis Flynn

Updated Attendance:

Mr. Dicky Wilson was updated to present at: 5:40 PM
Curtis Flynn entered at 6:50 PM

I. CALL TO ORDER

I.A. Welcome

I.B. Roll Call

I.C. Approval of the Agenda

Order #2013-687 - Motion Passed: Approval of the Agenda passed with a motion by Mr. Alex Tainsh and a second by Mr. Chad Murray.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Absent

II. PRESENTATION FOR APPROVAL OF THE 2012-2013 ANNUAL AUDIT REPORT - Mrs. Jerilyn Zapp

JERILYNN ZAPP AND SUSAN DUKES PRESENTED THE AUDIT REPORT IN DETAIL AS THERE ARE NEW BOE MEMBERS THIS YEAR. SHE THANKED THE BOARD FOR ALLOWING HER TO PERFORM AUDIT.

THIS YEAR'S AUDIT REPORT IS A NEW FORMAT WITH EMPHASIS ON INDIVIDUAL DUTIES AND RESPONSIBILITIES. SHE EXPLAINED DUTIES AND RESPONSIBILITIES OF EACH ENTITY.

SHE DISCUSSED GOVERNMENT-WIDE FINANCIAL STATEMENTS:

STATEMENT OF NET POSITION; STATEMENT OF ACTIVITIES

MR. CRAWFORD ASKED QUESTION REGARDING KSBIT AS TO SUBSTANTIAL SAVINGS FOR INSURANCE. DR. PERKINS STATED SHE IS HOPEFUL WE WILL HAVE THIS INFORMATION IN TIME FOR OUR DRAFT BUDGET. ZAPP REPLIED \$200,000 WAS SET ASIDE FOR THIS AS A LIABILITY. TERWILLIGER STATED THE INFORMATION SHE HAS IS THAT THE STATE BOARD OF INSURANCE WILL TAKE THIS OVER; HOPEFULLY WITH SAVINGS TO THE DISTRICTS.

AND FUND FINANCIAL STATEMENTS:

BALANCE SHEET-GOVERNMENTAL FUNDS; RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION; STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS; RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES; STATEMENT OF NET POSITION-PROPRIETARY FUND; STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-PROPRIETARY FUND; STATEMENT OF CASH FLOWS-PROPRIETARY FUND; STATEMENT OF FIDUCIARY NET POSITION; NOTES TO BASIC FINANCE STATEMENTS; REQUIRED SUPPLEMENTAL INFORMATION; BUDGETARY COMPARISON SCHEDULE-GENERAL FUND; BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUNDS; NOTES TO BUDGETARY COMPARISON SCHEDULES; COMBINING BALANCE SHEET-NON-MAJOR GOVERNMENTAL FUNDS; COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-DEBT SERVICE FUNDS; STATEMENT OF RECEIPTS DISBURSEMENTS AND FUND BALANCES-SCHOOL ACTIVITY FUNDS; BOARD MEMBERS AND ADMINISTRATIVE PERSONNEL; INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS; INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133; SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS; NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS; SCHEDULE OF FINDINGS AND QUESTIONED COSTS; SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.

ACCUMULATED SICK LEAVE: SHE STATED ONE AREA OF CONCERN IS WE HAVE A CONSIDERABLE NUMBER OF STAFF THAT ARE ELIGIBLE TO RETIRE. THERE ARE TWO ASPECTS TO CONSIDER: PAYOUT OF SICK LEAVE AND LOSS OF EXPERIENCED STAFF.

ZAPP STATED BEGINNING IN THE 2015 YEAR, DISTRICTS AND CITIES WILL BE RESPONSIBLE FOR PAYOUT OF PENSIONS ON A DEFERRED LEVEL. THIS WILL ALSO HAVE A LIABILITY IMPACT ON THE BUDGET.

MR. TAINSH ASKED WHEN THE ADDITIONAL TAX NICKELS WILL EXPIRE. MRS. TERWILLIGER REPLIED NOT UNTIL THE BONDS ARE PAID.

SUMMARY OF AUDITOR'S RESULTS: TWO SIGNIFICANT DEFICIENCIES:

1. SEGREGATION OF DUTIES AND CHECKING PROCEDURES
2. FAILURE TO PREPARE A COMPLETE SET OF FINANCIAL STATEMENTS INCLUDING REQUIRED NOTE DISCLOSURES

SHE STATED AUDITOR'S RECOMMENDATION AND DISTRICT'S RESPONSE. SHE STATED WHEN THERE ARE PERSONNEL CUTBACKS THIS LIMITS THE TIME AND RESOURCES. THE OVERSIGHTS ARE DUE TO A LIMITED NUMBER OF STAFF CROSS-CHECKING FINANCIAL DOCUMENTS.

MANAGEMENT LETTER - SUSAN DUKES READ AND DISCUSSED FINDINGS.

ZAPP DISCUSSED THE PER DIEM PAYMENT FOR BOARD MEMBERS. THE STATE SAID THE BOARD COULD PASS A RESOLUTION STATING THEY ALLOW THE BOARD MEMBER TO DECLINE PAYMENT.

MURRAY INQUIRED AS TO PAYROLL DISCREPANCY OF PAYSCALE. DUKES STATED THREE EMPLOYEES WERE PAID INCORRECTLY. SHE STATED RECORDS WERE PULLED RANDOMLY USING AN EXCEL SPREADSHEET. SHE STATED CONTRACTS WERE PULLED AND THE ENTIRE FILE WAS REVIEWED. SHE STATED DR. PERKINS' FILE WAS ALWAYS SELECTED.

TERWILLIGER STATED SOME OF THE ERRORS WERE ENTERED BY FORMER PAYROLL PERSONNEL. SHE STATED RANK AND YEAR WOULD NOW APPEAR ON THE CONTRACTS. SHE STATED THEY WOULD REVIEW ALL EMPLOYEES FOR CORRECT INFORMATION.

DUKES STATED SOME OF THE ERRORS WERE DUE TO BEING ENTERED INCORRECTLY BY PREVIOUS PERSONNEL AND WAS ONGOING.

MURRAY ASKED HOW THE ERRORS WERE CORRECTED: WERE EMPLOYEES WHO HAD BEEN PAID TOO LITTLE COMPENSATED? TERWILLIGER REPLIED YES. SHE ALSO STATED IF THE EMPLOYEE HAD BEEN OVERPAID THEN THEIR SALARY HAD BEEN ADJUSTED TO CORRECT THE ERROR. CLARK STATED ONLY THE CURRENT YEAR SALARY WOULD BE ADJUSTED.

TAINSH ASKED ABOUT OVERPAYMENT TO EMPLOYEES. CLARK AND TERWILLIGER STATED THE OVERPAYMENTS WERE CORRECTED BY ADJUSTMENTS IN PAYROLL ONLY IN THE CURRENT YEAR.

MURRAY STATED HE HAD SENT EMAILS TO DR. PERKINS PRIOR REGARDING EMPLOYEES STATING THEY HAD NOT BEEN PAID CORRECTLY. TERWILLIGER STATED SHE HAD REVIEWED THE CERTAIN EMPLOYEE IN THIS SITUATION. MURRAY STATED IT WAS NOT A CERTAIN EMPLOYEE AS HE HAD NOT NAMED THE EMPLOYEE.

CLARK STATED IF SOMEONE WAS CONCERNED REGARDING YEARS OF EXPERIENCE THEY WOULD GO BACK AND LOOK AT THE FILES... BOTH SHE AND CONNIE WAINSCOTT WOULD LOOK AT THE FILE FOR THE EMPLOYEE. TAINSH STATED TYPICALLY IF YOU OVERPAY SOMEONE YOU EAT THE COST. CRAWFORD STATED YOU CAN'T LEGALLY DO THIS. TERWILLIGER STATED THEY DO ASK THE EMPLOYEE(S) TO REPAY THE COST CREATED IN ERROR. MURRAY ASKED HOW MANY YEARS THE EMPLOYEES HAD WORKED FOR THE DISTRICT IN THE INSTANCES OF ERROR. DUKES REPLIED SHE DIDN'T KNOW. TERWILLIGER REPLIED AFTER REVIEW SHE WOULD GET THE INFORMATION FOR MR. MURRAY.

ZAPP DISCUSSED TAX RATE LEVELS AND MENTIONED ISSUE OF LIABILITIES. SHE STATED YOU DON'T WANT TO STRAP YOURSELF TIGHT. SHE STATED IN CUTTING BACK, YOU SOMETIMES LIMIT YOUR ABILITY FOR CONTROL. SHE STATED THERE WILL BE ADDED EXPENSES TO THE DISTRICT THAT CAN AFFECT THE FUND BALANCE. SHE CAUTIONED YOU CAN'T CUT BOTH WAYS.

TAINSH QUESTIONED SWITCHING OUT AUDITORS EVERY COUPLE OF YEARS AND STATED HE FELT IT WAS BEST PRACTICE. HE ASKED IF THIS WAS A BAD IDEA. ZAPP REPLIED IT'S NOT A BAD IDEA BUT THAT SHE UNDERSTOOD

THE DISTRICT AND HOW IT OPERATES. SHE STATED IT WOULD TAKE ANOTHER AUDITOR A CERTAIN AMOUNT OF TIME TO GET UP TO SPEED. TAINSH THANKED ZAPP FOR THEIR SERVICE TO THIS BOARD. ZAPP STATED YOU HAVE TO WEIGH WHAT YOU WILL GET WITH A NEW AUDITOR. TERWILLIGER STATED THE AUDITORS GET REVIEWED BY OUTSIDE SET OF EYES FOR COMPLIANCE. TAINSH STATED SOMETIMES A NEW SET OF EYES CAN SEE WHAT VERY COMPETENT PEOPLE DIDN'T.

MURRAY QUESTIONED THE ERROR FOUND IN TITLE I FUNDS. ZAPP STATED THE DISCREPENCY WAS DUE TO \$1000 FOR T-SHIRTS AT THE HIGH SCHOOL BEING CODED OUT OF THE WRONG ACCOUNT (PARENTAL INVOLVEMENT). SHE STATED AS THE HIGH SCHOOL IS NOT A TITLE I SCHOOL THE FUNDS WERE REIMBURSED TO TITLE I. HE ASKED IF IT HAD THE APPROPRIATE TWO SIGNATURES. DUKES REPLIED YES.

MURRAY REFERRED TO MISTAKES THAT HAD BEEN BROUGHT TO HIS ATTENTION REGARDING PAST PAYROLL ERRORS. HE STATED HE UNDERSTOOD THAT SOME OF THE ERRORS OCCURRED WITH PREVIOUS PAYROLL PERSONNEL AND NOT CURRENT PERSONNEL. HE DISTRIBUTED A 42 PAGE DOCUMENT REGARDING POLICIES HE STATED WERE NOT BEING FOLLOWED; SAID THIS IS WHY WE GET INTO SOME OF THESE AREAS WHERE THERE ARE MISTAKES MENTIONED IN THE AUDIT REPORT. HE ASKED SUSAN DUKES HOW SHE DISCOVERED HE WASN'T ACCEPTING THE PER DIEM BOARD MEMBER PAYMENT.

DUKES REPLIED SHE REVIEWED ALL THE BOARD MEMBERS PAYMENT INFORMATION AND DISCOVERED SAME. MURRAY ASKED IF SHE LOOKED AT HIS PAY IN PARTICULAR. SHE STATED YES. HE ASKED IF SHE SAW ANYTHING. DUKES REPLIED SHE SAW A MILEAGE REIMBURSEMENT. HE ASKED HOW HE WAS PAID WITHOUT SUBMITTING ANY PAPERWORK FOR INFORMATION.

ZAPP EXPLAINED IT IS THE DUTY OF THE DISTRICT TO CUT THE CHECK WITHOUT THE INFORMATION.

DUKES ADDRESSED THE ISSUE FURTHER AND STATED IT INVOLVED WITHOLDING.

MURRAY REPLIED WITH PAYROLL, HE WOULD DEFINITELY HAVE HAD TO FILL OUT DOCUMENTATION. ZAPP REPLIED THE IRS EXPECTS YOU TO PAY WITH OR WITHOUT THE PROPER DOCUMENTATION.

SHE STATED YOU WOULD ISSUE THE W-9 WITHOUT THE PROPER ID NUMBER.

MR. CRAWFORD STATED HE HAS CHECKED WITH KSBA AND SAID JOHN FOGEL SUGGESTED THE RESOLUTION AND WAIVER. HE HANDED BOTH DOCUMENTS OUT AND DISCUSSED SAME. HE SAID THIS WOULD RESOLVE ISSUE OF NOT TAKING THE PER DIEM AND THAT THIS HAD NOTHING TO DO WITH EXPENSE REIMBURSEMENT.

MURRAY REFERRED TO THE 42 PAGE DOCUMENT AND DISCUSSED PAGE 34, POLICY REGARDING AUDITORS. HE MENTIONED CONTRACTS AND SALARY SCHEDULES. HE STATED THE AUDITORS CONTRACT SPECIFICALLY SHOULD REVIEW THE SUPERINTENDENT'S CONTRACT YEARLY. HE ASKED IF THEY INSPECTED THE SUPERINTENDENT'S CONTRACT. THE AUDITORS REPLIED YES. MURRAY STATED THE SALARY SCHEDULE SAYS 255 DAYS AND THE ACTUAL CONTRACT SAYS 260 DAYS. HE STATED THE ACTUAL CONTRACT DOES NOT CONTAIN THE SUPERINTENDENT'S SIGNATURE. HE STATED THERE IS A DISCREPENCY OF 5 DAYS. HE STATED ACCORDING TO THE KENTUCKY AUDIT INSTRUCTIONS THIS WAS SOMETHING THAT SHOULD HAVE BEEN LOOKED AT.

DR. PERKINS STATED HER CONTRACT HAS ALWAYS BEEN 260 DAYS AND SHE IS UNAWARE WHERE THE 255 DAYS CAME FROM. SHE ASKED MR. CRAWFORD ABOUT THIS AS HE IS THE PERSON WHO PREPARED THE CONTRACT. DUKES STATED THIS WAS JUST THE JOB DESCRIPTION AND NOT THE ACTUAL CONTRACT.

DR. PERKINS STATED SHE HAD GIVEN THE BOARD HER CURRENT CONTRACT AND ALL APPLICABLE DOCUMENTS LAST YEAR DURING HER EVALUATION.

TERWILLIGER STATED THE CURRENT CONTRACT REFLECTS 260 DAYS AND READ FROM CURRENT CONTRACT.

MURRAY THEN REFERRED TO PAGE 28 OF THE 42 PAGE DOCUMENT WHICH RELATED TO THE FINANCIAL CONSULTANT'S CONTRACT. HE STATED THE CONTRACT HASN'T BEEN RENEWED SINCE 2004.

CRAWFORD STATED HE HAD LOOKED AT THAT CONTRACT AND SAID IT AUTOMATICALLY RENEWS ITSELF. IT'S A ONE YEAR CONTRACT UNLESS THE BOARD ADVISES THE CONSULTANT THEIR SERVICES ARE NO LONGER NEEDED. HE STATED IT'S NOT NECESSARY TO RENEW EVERY YEAR UNLESS SOMEONE STATES THERE IS AN ISSUE WITH IT. HE REFERENCED THE MAINTENANCE AGREEMENT WITH THE TELEPHONE SYSTEM AS WELL AS THE HEATING AND AIR AGREEMENT. HE STATED IN MANY CONTRACTS, IF YOU DON'T MAKE A MOVE THE BUSINESS WILL ATTEMPT TO AUTOMATICALLY RENEW.

DAVID MORRIS STATED WE WOULD CALL THESE EVERGREEN CONTRACTS; MEANING THEY ARE PERPETUAL CONTRACTS.

CRAWFORD SUGGESTED ADDING FINANCIAL CONSULTANT'S CONTRACT TO JANUARY BOARD MEETINGS EVERY YEAR TO REVIEW FOR RENEWAL.

MURRAY STATED TERWILLIGER'S CONTRACT WAS ONLY FOR ONE YEAR. SHE RESPONDED THE TERMINOLOGY OF HER CONTRACT WAS PERHAPS NOT WORDED THE BEST. SHE STATED IT WAS WORDED FURTHER INTO THE CONTRACT THAT IT WOULD CONTINUE. SHE STATED SHE WOULD BE HAPPY TO PREPARE A NEW CONTRACT.

MR. CRAWFORD STATED THE BOARD NEEDS TO REQUEST THIS BE PLACED ON THE AGENDA IF THEY WANT IT TO HAPPEN. TERWILLIGER STATED SHE WAS NOT INFORMED IN WRITING THAT A NEW CONTRACT WAS DESIRED. CRAWFORD STATED HE WAS CONFUSED AS TO THE REQUEST FOR A NEW CONTRACT.

MURRAY STATED HE UNDERSTOOD IN ANY ORGANIZATION YOU WILL FIND MISTAKES BUT WHEN THINGS ARE BROUGHT OUT THEY SHOULD BE TAKEN CARE OF. HE STATED IF HE WAS WRONG IN ANY OF THE 42 PAGE DOCUMENTATION PLEASE LET HIM KNOW AND HE WOULD CORRECT HIMSELF AT THE NEXT BOARD MEETING.

MR. MORRIS STATED WE ALL SHARE IN BEING RESPONSIBLE FOR POLICIES AND TAKING THE APPROPRIATE ACTION THAT THE BOARD WOULD TAKE.

MURRAY STATED IF WE HAD LOOKED INTO SOME OF THE THINGS HE HAD BROUGHT TO ATTENTION PRIOR TO WE WOULDN'T BE HAVING THIS CONVERSATION WITH THE AUDITORS NOW.

GILES QUESTIONED CRAWFORD AS TO BEING A BOARD MEMBER AND GETTING INVOLVED IN PERSONNEL ISSUES. SHE STATED IF AN EMPLOYEE CALLS HER WITH A COMPLAINT SHE RESPONDS THAT SHE CAN'T GET INVOLVED IN ANY PERSONNEL ISSUE OTHER THAN THE SUPERINTENDENT'S. CRAWFORD RESPONDED THAT'S TRUE WITH CERTIFIED AND CLASSIFIED STAFF. HE STATED IT'S A DIFFERENT ISSUE WITH CONSULTANTS. HE STATED THE BOARD DOES HAVE A RIGHT TO QUESTION CONSULTANT'S CONTRACTS. HE ASKED IF THE BOARD WANTS THE FINANCIAL CONSULTANTS CONTRACT ON THE JANUARY MEETING.

GILES STATED WHAT SHE IS ASKING IS HOW CHAD SAID SOMEBODY CALLS AND SAYS THEY HAVE A \$12,000 MISTAKE ON THEIR CHECK.....CRAWFORD STATED SHE WAS RIGHT. A PERSONNEL ISSUE, THE HIRING AND FIRING, ETC IS AN ISSUE FOR THE SUPERINTENDENT. ON THE SAME TOKEN, IF A COMPLAINT COMES IN TO A BOARD MEMBER, THEN THE BOARD MEMBER CAN PASS IT ON TO THE SUPERINTENDENT OR THE APPROPRIATE STAFF MEMBER. STATED FRANKLY THERE SHOULD BE SOME TYPE OF CORRESPONDENCE BACK FROM THE STAFF MEMBER INDICATING WHAT'S TAKING PLACE TO CORRECT IT, THAT THE BOARD MEMBER HAS NO RESPONSIBILITY TO THE HIRING AND FIRING BUT THEY SHOULD BE RESPONSIVE TO A CONCERN. HE STATED THERE WAS NO PROBLEM WITH THE BOARD MEMBER PASSING THE INFORMATION ON.

GILES ASKED ABOUT A CONTINUING RAPPOR WITH THE PERSONNEL AND A BOARD MEMBER. MURRAY ASKED HER IF THERE WAS SOMETHING SPECIFIC SHE WAS REFERRING TO. SHE STATED NO. HE SAID THIS WAS A FINANCIAL ISSUE THAT WAS BROUGHT TO HIS ATTENTION AND THAT BOARD MEMBERS SHOULD BE DEALING WITH FINANCIAL ISSUES. HE STATED IF THERE WAS A POLICY HE IS NOT FOLLOWING REGARDING THIS PLEASE, MAKE HIM AWARE. GILES STATED SHE WASN'T STATING HE WAS DOING ANYTHING WRONG BUT THE WAY HE WAS BRINGING ALL THIS STUFF OUT...MURRAY ASKED IF THERE WAS ANYTHING WRONG IN THERE...SHE STATED HAVE I HAD TIME TO READ IT AND SAID SHE IS SPEAKING TO THE FACT THAT WE SHOULDN'T BE INVOLVED IN PERSONNEL ISSUES. SHE STATED IF HE WAS GOING TO HAND ALL THIS OUT AND COME OUT AGAINST DOT THAT SHE AND WE SHOULD HAVE TIME TO READ OVER THIS.

HE STATED IN ALL FAIRNESS IF WE AS BOARD MEMBERS WANT TO TALK ABOUT HAVING TIME TO HAND THINGS OUT, IN THE REPORT IT ALSO TALKS ABOUT THE AUDIT AND HOW WE NEED TO SIT DOWN AND LOOK AT IT AS BOARD MEMBERS. HE STATED DOT KNOWS ALL THOSE THINGS AND ASKED IF THE EMAILS WERE CORRECT AND HAD HE DONE ANYTHING WRONG. DR. PERKINS RESPONDED SHE IS NOT SURE WHAT YOU'RE ASKING. MURRAY REPLIED HIS POINT WAS WE DO NOT CONTINUE TO FOLLOW POLICY IN THIS DISTRICT AND WHAT ARE WE GOING TO DO WHEN A TEACHER OR SOMEONE COMES IN AND WE SAY WE HAVE TO FOLLOW POLICY.

DR. PERKINS STATED SHE HAD NOT READ ALL THE DOCUMENTATION BUT DOES NOT APPRECIATE THE DRAMATIZATION, LIBEL AND SLANDER SHE HAS READ IN SOME OF THESE SO FAR THAT HE INSERTED IN SOME PLACES OR SAYING WHAT SHE SAID OR THOUGHT. SHE READ "AS YOU CAN SEE MS. PERKINS IS DOING WHAT SHE WANTS.....ANOTHER UNTRUTHFUL RESPONSE." NOTHING I HAVE EVER PUT IN AN EMAIL TO YOU IS UNTRUTHFUL. SHE READ DOCUMENTATION REGARDING BOARD CHAIRPERSON, LEGISLATIVE REP AND ELECTION OF SAME. SHE STATED NONE OF THE LANGUAGE SHE READ WAS UNTRUTHFUL. SHE SAID SHE COULD FIND MORE IN THERE AND WOULD HAVE HER ATTORNEY LOOK AT THESE. SHE SAID SHE WOULD NOT ALLOW HER CREDIBILITY TO BE ATTACKED WITHOUT THE OPPORTUNITY TO READ THIS. SHE STATED WERE DONE WITH THIS UNTIL SHE GETS A CHANCE TO READ IT.

MR. MORRIS STATED HE TAKES RESPONSIBILITY FOR THIS (CHAIRPERSON ELECTION) AS HE SAID HE VIEWED IT AS A TWO YEAR TERM WITHOUT LOOKING AT THE POLICY. HE STATED HE COULD NOT AND DID NOT LOOK AT EVERY POLICY AND ASKED WE GET BACK ON TRACK IN TERMS OF THE AUDIT. HE STATED HE WOULD LIKE TO HEAR BACK REGARDING THE RESPONSE TO THE AUDIT.

DISCUSSION FOLLOWED REGARDING THE ELECTION OF THE CHAIRPERSON. DR. PERKINS ASKED MR. MURRAY HAS THIS NOT BEEN RESOLVED. MURRAY ASKED DID WE NOT ELECT A CHAIRPERSON. AGAIN DR. PERKINS ASKED HAD THIS NOT BEEN RESOLVED.

DR. PERKINS STATED MR. MURRAY HAD EMBELISHED AND INCLUDED HIS OWN NARRATIVE THAT WAS RUDE AND DISRESPECTFUL. SHE STATED THESE COMMENTS WERE NOT APPROPRIATE. SHE STATED IT WAS VERY UNFAIR THAT THIS WAS BROUGHT OUT IN FRONT OF EVERYBODY WITHOUT GIVING US THE OPPORTUNITY TO READ THIS. MURRAY STATED IT WAS TRANSPARENCY AND THAT HE WOULD MOVE ON.

DISCUSSION FOLLOWED REGARDING THE RESPONSE TO THE AUDIT. ZAPP STATED WHEN COMMENTS WERE PLACED IN THE MANAGEMENT LETTER, THEY WERE MEANT AS CONSTRUCTIVE COMMENTS. SHE STATED THE COMMENTS PLACED IN THE MANAGEMENT LETTER WERE NOT SIGNIFICANT ENOUGH TO BE PLACED IN ONE OF THE TWO REPORTS. SHE STATED THEY ONLY TAKE A SAMPLE AND WE WILL NEVER GET AWAY COMPLETELY FROM ERRORS. SHE STATED THE AUDIT IS INTENDED TO BRING AWARENESS TO ISSUES THAT NEED CORRECTING. SHE STATED SHE AGREED WITH MR. MURRAY THAT EVERYONE NEEDS TO FOLLOW POLICY BUT AS A BOARD MEMBER ON OTHER BOARDS, SHE KNOWS HOW OVERWHELMING ALL THE POLICIES ARE. SHE STATED THE MUNIS SYSTEM IS TERRIBLY CUMBERSOME AND COMPLICATED REGARDING CODING. SCRUTINY IS NECESSARY AND WHEN MISTAKES ARE MADE, JUST CORRECT THEM. SHE STATED THE BOARD MEMBERS SHOULD REVIEW THE TRANSACTIONS. SHE STATED JUST BECAUSE THE ISSUES WERE MENTIONED IN THE REPORT, THAT THEY ARE NOT OF HUGE MAGNITUDE. SHE ASKED PAM TERWILLIGER TO REVIEW THE DISTRICT'S RESPONSE TO THE LETTER. TERWILLIGER DISCUSSED THE RESPONSES AND STATED SHE AND WAINSCOTT WILL ATTEND ADDITIONAL REDBOOK TRAINING. SHE SAID EACH YEAR THEY MEET WITH NEW TEACHERS TO EXPLAIN REDBOOK PROCESS. SHE STATED AMANDA WAS DOING A GOOD JOB KEEPING UP WITH ATHLETIC ACTIVITY ACCOUNTS. SHE HIGHLIGHTED FOOD SERVICE PROCEDURES PUT IN PLACE THIS SUMMER REGARDING INVENTORY AUDIT, OUTSTANDING CHECKS, JOB DESCRIPTIONS, CURRENT YEAR FINDINGS, SUPPLEMENTAL PAY, PER DIEM PAY, TRAVEL REIMBURSEMENT FORMS, TITLE I, EXCLUDED PARTY LIST, NEW VENDOR ENTRY, CONTRACTS ENTERED INTO INCORRECTLY, AND ACTIVITY FUND PURCHASES.

MORRIS ASKED IF THE BOARD WILL APPROVE THE AUDIT REPORT. ZAPP STATED THE REPORT HAD TO BE IN FRANKFORT BY NOVEMBER 15TH. ZAPP STATED WITH OR WITHOUT APPROVAL THE AUDIT WILL BE SUBMITTED. SHE STATED BOARD APPROVAL WOULD RATIFY, BUT ACCORDING TO THE TERMS OF HER CONTRACT SHE WILL SUBMIT. MURRAY ASKED IF WE WILL BE IN NON COMPLIANCE BECAUSE OF THE AUDIT NOT BEING SUBMITTED TO THE BOARD AT THE OCTOBER MEETING. TERWILLIGER REPLIED NO. CRAWFORD REPLIED THE POLICY WAS NOT VIOLATED, THAT THE LANGUAGE MR. MURRAY WAS REFERRING TO IS IN THE PROCEDURE...NOT THE POLICY.

Order #2013-688 - Motion Passed: PRESENTATION FOR APPROVAL OF THE 2012-2013 ANNUAL AUDIT REPORT passed with a motion by Mr. Alex Tainsh and a second by Mr. Dicky Wilson.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

III. PRESENTATION OF THE 2013 ANNUAL FINANCIAL REPORT - Mrs. Connie Wainscott and Mrs. Pam Terwilliger

TERWILLIGER STATED EVERYTHING IN THE AUDIT REPORT IS IN THE FINANCIAL REPORT. SHE STATED WE RECEIVED \$6 MILLION IN SEEK, DOWN \$200K FROM LAST YEAR. SHE STATED THE ONGOING REVENUE IS BARELY KEEPING UP WITH THE EXPENDITURES.

TAINSH STATING THE DRAFT BUDGET IS WORTHLESS. TERWILLIGER AND WAINSCOTT STATED IT IS A REQUIREMENT BUT AGREED WITH TAINSH AS NONE OF IT IS BASED ON ACTUAL AMOUNTS.

Order #2013-689 - Motion Passed: PRESENTATION AND APPROVAL OF THE 2013 ANNUAL FINANCIAL REPORT passed with a motion by Mr. Alex Tainsh and a second by Mr. Chad Murray.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

IV. RESOLUTION FOR DEPUTY SUPERINTENDENT LEONARD T. WHALEN

Order #2013-690 - Motion Passed: APPROVAL OF RESOLUTION FOR DEPUTY SUPERINTENDENT LEONARD T. WHALEN passed with a motion by Mr. Alex Tainsh and a second by Mr. Dicky Wilson.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

V. COMMUNICATIONS (No Board Action)**V.A. Board Members****V.B. Citizens & Delegations****V.C. Staff Report - Program Review - Mrs. Debra Foltz****V.D. Written Communications****V.D.1. 2013 Special Education Determination as Required under the IDEA - Gallatin County****V.D.2. KSBIT Update****V.E. Superintendent's Report****VI. STUDENT LEARNING SERVICES****VI.A. Policy****VI.A.1. Continued Review and Discussion of Board Policy 01.821**

CRAWFORD STATED A DRAFT WAS PREPARED AND COULD BE DISCUSSED AT A FUTURE MEETING. THIS WILL BE ADDED TO THE NOVEMBER 25TH MEETING.

VI.A.2. Review and Discussion of Fraud Policy 04.41

DR. PERKINS STATED THIS IS A POLICY THE MAJORITY OF BOARD'S HAVE. THIS WILL BE ADDED TO NEXT MEETING.

VII. STUDENT SUPPORT SERVICES**VII.A. Finance****VII.A.1. Financial Consultant Services Contract**

TERWILLIGER WILL PREPARE A NEW CONTRACT IF THE BOARD SO CHOOSES. TAINSH STATED THIS SHOULD BE REVIEWED YEARLY. HE ASKED IF THERE WAS A LIMIT ON HOURS/EXPENSES. TERWILLIGER STATED THE LIMIT WAS IN THE BUDGET AND THAT SHE HAS NEVER WENT OVER BUDGET. TAINSH STATED THE CURRENT CONTRACT HAS NO CONTROLS SET THEREIN. MURRAY ASKED WHO CREATED THE BUDGET. TERWILLIGER REPLIED THE SUPERINTENDENT. TERWILLIGER STATED WHEN SHE IS HERE SHE IS WORKING. THE CONTRACT WILL BE REVIEWED AT THE JANUARY BOARD MEETING.

VII.A.2. Agreement with Shelby County Schools for Interim DPP Services, Dave Weedman and Administrative Clerk, Mindy Stella

Order #2013-691 - Motion Passed: Agreement with Shelby County Schools for Interim DPP Services, Dave Weedman and Administrative Clerk, Mindy Stella passed with a motion by Mr. Alex Tainsh and a second by Mr. Chad Murray.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

VII.B. Facilities**VII.B.1. Update on Alternative School/Field House**

MURRAY STATED HE HAD A CONTRACTOR PHONE HIM STATING HE HADN'T BEEN PAID FOR WORK. ENDEAVOR STATES IT HAS BEEN SUBMITTED TO THE BOARD. DR. PERKINS REPLIED GILBERT AND BIEHRSDOERFER HAD DISCUSSION AND THIS IS ANTICIPATED TO BE ON THE PAY APP AT THE NOVEMBER 25TH MEETING. MURRAY STATED THE WORK WAS DONE IN JUNE.

CRAWFORD STATED HE WILL COMMUNICATE WITH THE CONTRACTOR AND EXPLAIN IT WILL BE ON THE AGENDA.

DR. PERKINS READ LANGUAGE PERTAINING TO THIS.

SHE STATED THERE ARE FOUR ITEMS THAT WILL COME FORTH IN CHANGE ORDER 17. THERE WILL ALSO BE SOME DEDUCTS AS SHE EXPLAINED.

*MURRAY QUESTIONED WHETHER OR NOT THEY SHOULD APPROVE THE ADDITIONAL 10 PERCENT. DR. PERKINS STATED WE HAD NEVER RECEIVED THE CHANGE ORDER. SHE STATED IT WOULD BE IN A CHANGE ORDER AT THE NOVEMBER 25TH MEETING.
DR. PERKINS STATED THE FENCE COMPANY SHOULD BE ONSITE TOMORROW.*

VII.B.1.a. Change Order #16

Order #2013-692 - Motion Passed: APPROVAL OF CHANGE ORDER #16 BASED UPON STIPULATION THAT WORK WILL BE COMPLETED BY DECEMBER 15TH AND IF NOT, IT WILL BE BID passed with a motion by Mr. Alex Tainsh and a second by Mr. Dicky Wilson.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

VIII. STUDENT LEARNING & SUPPORT CONSENT ITEMS

Order #2013-693 - Motion Passed: APPROVAL OF THE CONSENT AGENDA passed with a motion by Mrs. Sonya Giles and a second by Mr. Alex Tainsh.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

VIII.A. Approve Minutes of the October 28, 2013 Gallatin County Board of Education Meeting

VIII.B. Consider Bids & Award Contracts

VIII.B.1. Snow Removal - Larry Lewis

VIII.C. Acknowledge Notification of Personnel Actions

VIII.C.1. Hirings

VIII.D. Approve Requests

VIII.D.1. HS Horticulture Class - Approval to apply and accept \$2,000 Whole Foods Grant - Katie Howell

VIII.D.2. Facilities Use Requests

VIII.D.2.a. MS PTSO Meetings - MS Library - 1st Monday of every month beginning November - 6:30-7:30 pm - Kerri Alexander

VIII.D.2.b. LE Youth Basketball Cheerleading - Practice in Foyer -Tues and Fri - November to January, 2014 - Danielle Rodriguez

VIII.D.3. Fund Raising Requests

VIII.D.3.a. Junior Class - Tshirt Sales-November 12-December 20, 2013 - Missy Clinkenbeard and Kaycee Thompson

VIII.D.3.b. Junior Class - Junior Service Auction - December 20, 2013 - Kaycee Thompson and Missy Clinkenbeard

VIII.D.3.c. Freshmen Class - Tshirt Sales - November 12-December 20, 2013 - Kaycee Thompson

VIII.D.3.d. Junior Class - Homecoming Dance - December 12, 2013 - Kaycee Thompson and Missy Clinkenbeard

VIII.D.3.e. MS PTSO - Sell Spiritwear - November 12-December 20, 2013 - Shannon Bogenschutz

VIII.D.3.f. HS Y-club - Nourish to Flourish Thanksgiving Dinner - November 12-26, 2013 - Brian Gognat

VIII.D.3.g. HS Fellowship of Christian Students - Tshirt Sales - November 12-26, 2013 - Mary Beth Herndon

VIII.D.3.h. MS Cheerleaders - Cookie Dough Sales - November 12-29, 2013 - Buddie Brockman

VIII.D.3.i. LE - Hoops for Heart - December 16-20, 2013 - Kim Johnson

IX. EXECUTIVE SESSION - Student Discipline

IX.A. Enter into Closed Session

Order #2013-694 - Motion Passed: Enter closed session in accordance with KRS 61.810(1)(f) for discussion or hearings which might lead to the discipline, dismissal or expulsion of a Gallatin County Student passed with a motion by Mr. Alex Tainsh and a second by Mr. David Morris.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

IX.B. Exit from Closed Session

Order #2013-695 - Motion Passed: passed with a motion by Mr. Alex Tainsh and a second by Mr. Dicky Wilson.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

IX.C. Action Taken in Closed Session

Order #2013-696 - Motion Passed: Transfer student FY13-08 to the Alternative School for the remainder of the 2013-2014 School Year passed with a motion by Mrs. Sonya Giles and a second by Mr. Alex Tainsh.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

X. ADJOURN

Order #2013-697 - Motion Passed: passed with a motion by Mr. David Morris and a second by Mr. Alex Tainsh.

Mrs. Sonya Giles	Yes
Mr. David Morris	Yes
Mr. Chad Murray	Yes
Mr. Alex Tainsh	Yes
Mr. Dicky Wilson	Yes

Chairperson

Superintendent

Not official minutes until approved at the next board meeting