

Regular Meeting

A Regular Meeting of the Board of Education of the Northport-East Northport Union Free School District was held on Monday evening, December 1, 2008, beginning at 6:00 p.m., in the Library at Northport High School, 154 Laurel Hill Road, Northport, New York, with Mrs. Arlene S. Munson, President, opening the meeting and presiding.

Members present: Mr. Warren S. Arthur, Mr. Joe Gannon, Mr. Rob Ingraham, Mr. Steven A. Meyerowitz, Mrs. Arlene S. Munson, Dr. Kay Hutchins Sato, Mr. Stephen V. Waldenburg, Jr., Mrs. Karen Wills

Members absent: Mrs. Liz Dragone

Also present: Dr. Marylou McDermott, Superintendent of Schools

1. President Munson called the meeting to order.

Motion was made by Trustee Gannon, seconded by Ingraham, to convene in Executive Session to discuss a personnel issue.

Unanimously carried.

At 7:40 p.m., motion was made by Trustee Meyerowitz, seconded by Trustee Waldenburg, to reconvene in public session in the library at Northport High School.

Unanimously carried by those present.

Public attendance: There were approximately 40 persons present.

2. Mrs. Munson led those present in the Pledge of Allegiance; and
3. Pointed out the emergency exits.
4. APPROVAL OF MINUTES, TREASURER'S REPORT AND MONTHLY SUMMARY OF RECEIPTS AND DISBURSEMENTS

Motion was made by Trustee Ingraham, seconded by Trustee Gannon, to approve all items under 4.1 with a notation to include in the minutes of November 18, 2008 that Mrs. Wills was not present due to her collecting voting returns from Fifth Avenue School:

- 4.1 Minutes
 - 4.1.1 Regular Meeting, November 17, 2008
 - 4.1.2 Special Meeting, November 18, 2008

Unanimously carried by those present.

Motion was made by Trustee Sato, seconded by Trustee Arthur, to approve all items under 4.2:

- 4.2 Treasurer's Report and Monthly Summary of Receipts and Disbursements:
 - 4.2.1 Treasurer's Report for the period September 1 - September 30, 2008
 - 4.2.2 Monthly Summary of Receipts and Disbursements for September, 2008

Unanimously carried by those present.

4.2.3 For Information: Claim's Auditors Report for Warrants and Schedule of Claims for periods ending August 8, August 15, August 22, August 31, September 5, September 15, September 19, and September 30, 2008.

5. SPECIAL REPORTS/ANNOUNCEMENTS FROM THE SUPERINTENDENT

5.1 Accomplishments of Staff and Students

5.1.1 Mr. Andrew Manzo, Chairperson of Social Studies K-12, introduced the Social Studies Department Student of the Month, Patrick Reid. Mr. Manzo stated that Patrick is a truly gifted student with an affinity and passion for history. Patrick has challenged every college level course offered by the Social Studies Department and has scored a perfect "5" on each of the Advanced Placement assessments he has taken. One of Patrick's accomplishments this year was acting as one of a panel of students playing John McCain in a mock presidential debate. The moderator, State Comptroller Thomas DiNapoli, along with everyone else in attendance, was overwhelmed with Patrick's poise, understanding of both sides of the issues, and ability to articulate McCain's positions. Patrick also takes part in community and extracurricular activities. He is a member of the high school's academic team and has been involved in "Our Town 2000" since the 5th grade. Patrick ultimately hopes to work in some capacity in politics or public policy.

The President of the Board and the Superintendent congratulated Patrick on his fine accomplishments and presented him with a commendation from the Board.

5.1.2 Mr. Bryan Horan, Science Research Program Coordinator, introduced the following *2008 Siemens Competition Entrants in Math, Science and Technology*, and the *2009 Intel Science Talent Search Entrants*: Taylor Fleming, Peter Kahng, Kate Macina, Glen Meyerowitz, Daniel Ronde, and Michael Ross. Each student made a brief presentation on their project.

The President of the Board and the Superintendent congratulated each student and with presented them with a commendation. Dr. McDermott thanked Mr. Horan for inspiring his students.

5.1.3 "A Midwinter Night's Dream" presentation.

Mr. Don Strasser, Advisor to the National Honor Society, along with students Nicole Albino, Rebecca Duchi, Kate Macina and Kim McGeever spoke about the efforts of A Midwinter Night's Dream in raising awareness and funds for ALS (Amyotrophic Lateral Sclerosis) research. Ms. Albino stated that they have raised a total of \$722,000 so far and the goal this year is to break the \$1 million mark. The A Midwinter Night's Dream Gala will be held on January 8, 2009. Ms. McGeever spoke about the new patient visiting service where the students visit ALS patients once a month. Ms. Macina spoke about the research opportunities given to students from Northport High School at leading ALS research laboratories around the country. Ms. Duchi announced the opening of an ALS research lab at Stony Brook University in the summer of 2009.

Mr. Strasser stated that he received a call from the Stony Brook University Development Office requesting a meeting to discuss funding to start an ALS research lab at Stony Brook University. Mr. Strasser stated that they are in negotiations to fund a 500 sq. ft. cryopreservation lab along with the use of the name "A Midwinter Night's Dream Cryopreservation Lab." Mr. Strasser noted that the lab will be used by other scientists and that A Midwinter Night's Dream will be sited on any research performed at the lab.

The President of the Board and the Superintendent presented a Board commendation to Mr. Strasser and the students and thanked them for their continuing work on the ALS cause and congratulated them on the incredible news regarding the research lab at Stony Brook University.

5.3 The President of the Board announced the upcoming Board of Education meetings: January 12th, January 26th, and February 9, 2009.

6. COMMUNICATIONS

6.1 Email from Mr. Albert Prisco, to members of the Board, received December 1, 2008, re: school closing on religious holidays. Mr. Prisco did not attend the meeting.

The President of the Board stated that there was a legal opinion from District counsel available on the table.

7. PUBLIC PARTICIPATION

<u>Name</u>	<u>Comment</u>
Eugene Leavy Resident	Stated that there are approximately 1,000 homes subject to foreclosure in the District and that the Board must find ways to reduce the budget and not raise it one penny.

Mr. Munson stated that 80 to 85% of the budget is fixed due to contractual agreements and unfunded mandates and that the Board will look into other budget areas to find economies.

Denise Summer Mumm United Taxpayers of Northport-East Northport	Asked in regards to the theft of funds in the business office if the 20 year employee was bonded and if other employees are bonded and if the District planned to investigate prior to January of 2008.
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Mrs. Munson stated that it is an ongoing litigation and she cannot answer any questions which might jeopardize the investigation.

Dr. McDermott stated that to investigate further than January of 2008 would use time, effort and money and would take away from the current work.

8. SUPERINTENDENT'S REPORT, GENERAL - FOR BOARD ACTION

8.1 Personnel Schedules, each dated December 15, 2008, and each attached and made part of the official minutes:

Motion was made by Trustee Meyerowitz, seconded by Trustee Sato, to approve item 8.1.1:

8.1.1 Schedule A - Certified Staff

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Sato, to approve item 8.1.2, including supplemental Schedule B (#10-16):

8.1.2 Schedule B - Non-Instructional Staff (including supplemental Schedule B #10-26)

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Sato, to approve item 8.1.3:

8.1.3 Schedule C - Salary Transfers

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Sato, to approve item 8.1.4, including supplemental Schedule D (#1-8):

8.1.4 Schedule D - Extra Pay (including supplemental Schedule D)

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Wills, to approve item 8.1.5:

8.1.5 Schedule J - Committee on Special Education

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Gannon, to approve item 8.1.6:

8.1.6 Schedule K - PDA NASA

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Wills, to approve item 8.1.7, # 1-3 only:

8.1.7 Schedule L - PDC UTN (#1-3 only)

Unanimously carried by those present.

Motion was made by Trustee Meyerowitz, seconded by Trustee Ingraham, to table the balance of Schedule L - PDC UTN (#4-19) until January 12, 2009.

Vote on Trustee Meyerowitz's motion was as follows:

YES: Mr. Gannon, Mr. Ingraham, Mr. Meyerowitz, Mrs. Munson, Mrs. Wills

NO: Mr. Arthur, Dr. Sato, Mr. Waldenburg

Motion passed.

Motion was made by Trustee Meyerowitz, seconded by Trustee Arthur, to approve items 8.2 through 8.5:

8.2 Approving the following resolution:

“BE IT RESOLVED, that in accordance with Board Policy and State Regulation, the Board of Education approve the appointment of Robert Mackreth to serve as Impartial Hearing Officer for the purpose of conducting an impartial hearing in accord with Policy 4321, Program for Students with Disabilities Under IDEA.”

8.3 Approving the following resolution:

“BE IT RESOLVED, that the Board of Education adopts the 403(b) Retirement Plan Document, as required by the IRS, prepared by OMNI Financial Services, effective January 1, 2009.”

8.4 Approving a Memorandum of Agreement, dated December 1, 2008, between the United Public Service Employees Union, Food Service Workers, and the Northport-East Northport Union Free School District.

8.5 Receiving for a first reading the following policy:

8.5.1 Policy #9510.3, “*Conditions of Employment for Non-Instructional Confidential Clerical Employees*”

Vote on Trustee Meyerowitz’s motion to approve items 8.2 through 8.5 was unanimously carried by those present.

9. SUPERINTENDENT’S REPORT, FINANCIAL - FOR BOARD ACTION

Motion was made by Trustee Meyerowitz, seconded by Trustee Arthur, to approve all items under 9., including supplemental 9.5 and 9.6:

9.1 Taking specified action on the following BIDS:

EDUCATIONAL

9.1.1 Award - Hardcover and Paperback Books

9.2 Declaring the attached selected equipment as surplus and approving disposal in accordance with Board policy.

9.3 Authorizing the Board President to execute the following service agreement:

9.3.1 YMCA “The Place”, in the amount of \$73,250 for the 2008-2009 school year.

9.4 Approving a transfer of general fund appropriations in the 2008-2009 budget.

9.5 Receiving the following donation to the District:

9.5.1 \$1,000 from the Northport Tiger Takedown Club (Booster Club for Northport Wrestling) to subsidize the bus fee for the wrestling team’s trip to the Canandaigua Invitational Tournament on January 9-10, 2009.

9.6 Approving the following resolution:

9.6.1 “RESOLVED, that the Board of Education approve an increase in the 2008-09 budget code, A 5540, 4162, 30, 1501 (Athletic Trips) in the amount of \$1,000.

Vote on Trustee Meyerowitz’s motion to approve all items under 9., including supplemental 9.5 and 9.6, was unanimously carried by those present.

10. SUPERINTENDENT'S REPORT - FOR INFORMATION ONLY

- 10.1 Student Activity Account Reports for October, 2008 from:
 - 10.1.1 Northport High School
 - 10.1.2 East Northport Middle School
 - 10.1.3 Northport Middle School
- 10.2 Schedule I - Home Instruction
- 10.3 Investment Report for September, 2008
- 10.4 Monthly Revenue & Budget Status Report as of September, 2008

11. UNFINISHED BUSINESS

12. NEW BUSINESS

- 12.1 New York State Comptroller's Audit Report

Dr. McDermott presented an overview of the New York State Comptroller's Office Audit Process. The statewide school district audits are in response to fiscal improprieties on Long Island, the need for higher standards, and the need for greater accountability. The New York State Comptroller's Office performed an Internal Controls Audit of cash disbursements, payroll and information technology for the period of July 1, 2005 to June 30, 2007. The state auditors held their entrance conference on July 12, 2007 and began the audit process on July 16, 2007. The exit conference was held on October 16, 2008 and the report was released on November 28, 2008. Dr. McDermott stated that the Internal Controls Audit reviews processes and procedures not financial statements. The District received the recommendations from the State Comptroller's office, confirmed the corrective actions already in progress as of January 2007 and assisted in the refinement of practices and procedures. A Corrective Action Plan will be formulated and the District will invite the NYS Comptroller's Office auditors to monitor the progress. The community will be informed of ongoing efforts through public Board of Education meetings.

Mr. Larry Blake, stated that the District's financial statements are audited yearly and the District has a very strong, positive fund balance.

Dr. McDermott asked the Board if there were any questions regarding the State Audit Report and the District's response. Mr. Vincent Cullen and Mr. Richard Coffey of Coughlin, Foundotos, Cullen & Danowski, LLP, District internal auditors, and Mr. John Gross and Ms. Mary Anne Sadowski of Ingerman Smith, LLP, District counsel, were present at the meeting to answer questions regarding the New York State Comptroller's Office Audit Report findings.

Karen Wills
Board Member

Stated that the District has had the same practices for many years, and asked why the District received this level of criticism.

Mr. Cullen stated that he looked back at fiscal year 04 and noted that the District had good controls and good processes. When he looked at fiscal years 05 to 07 he noted that the checks and balances were not there and did not tie into books. Mr. Cullen recognized there had been a large transition within the business office with regards to employee movement and as auditors this causes concern of breakdown in procedures. Mr. Cullen noted that even with well documented procedure there could be a breakdown with employee turnover. Mr. Cullen reinforced the need for the District to document procedures in case a major transition happens again.

Rob Ingraham
Board Member

Asked Mr. Cullen to explain the different services provided by the District's auditors and the New York State Comptroller's Office in scrutinizing District controls. Mr. Ingraham also asked if the state's report came as a surprise to Mr. Cullen.

Mr. Cullen stated that the external auditors review and give opinions regarding financial statements relying on numbers and will look at control systems in a top view such as segregation of duties and controls over processes. The internal auditors look at control systems, initial risk assessment, procedure manuals and make judgments based on design of control. The Comptroller's Office Auditors do a performance audit out of government auditing standards looking to improve performance of government entities. Mr. Cullen stated that the language in the Comptroller's Audit seemed harsh as compared to findings in other districts and that he was surprised with certain findings in the report.

There was a long discussion regarding the efficiency of the processes and procedures that the District has in place and the need for good controls, the testing of those controls, and the cost analysis of establishing a procedural manual.

Warren Arthur
Board Member

Asked Mr. Blake if he could quantify the amount of money that has been lost according to the state report to avoid speculation and actually get some facts.

Mr. Blake stated that according to the state report there wasn't any fraudulent activity and no money has been missing.

In response to a question regarding release of the State Comptroller's Office Audit Report and discussion of it with the District's Audit Committee, Dr. McDermott, stated that draft received was confidential and could not be released until the report became final.

There was a long discussion regarding the power of the audit committee established by regulation of the Commission of Education. The primary function of the District's Audit Committee is to oversee internal controls, review of the District's internal and external auditor's reports, and make recommendations to the Board.

In response to a question regarding the audit of other programs in the district, Dr. McDermott, stated that the instructional programs are always under review with state assessments and the District just finished an audit of the special education department.

In response to a question regarding the turnover in the business office, Ms. Kathleen Molander, Director of Finance and Accounting, stated that there are nine employees in the business office and of those six have been there 18 months or less.

Mr. John Gross discussed the State Comptroller's dispute of the District's payment of five sick days to the former superintendent at his retirement. Mr. Gross stated that the five days in dispute relate to the 1998-1999 school year when the superintendent was unable to use all of his vacation days and asked for permission from the Board president to roll them over to the following year. The letter authorizing the roll over was not signed by the Board president but the days were recorded in the personnel record. Counsel advised the Board from a legal perspective that there was more than adequate proof. The State disputed the degree of proof for those five days but did allow two prior instances.

In response to a question regarding the documented processes for granting user ID's, Mr. Peter Falotico, Director of Art, Media and Computer Science, stated that the procedures are documented and users have to get permission granting user authorization.

Dr. McDermott stated that every one of the State Comptroller's Office Audit recommendations have been taken very seriously and she takes the issue of public trust very seriously. Dr. McDermott noted that the District has taken every step to serve the best interests of the children and the taxpayers.

There being no further business to discuss at this time, motion was made by Trustee Meyerowitz, seconded by Trustee Sato, to adjourn the meeting.

Unanimously carried by those present.

At 10:55 p.m., the Chair declared the meeting adjourned.

Beth M. Nystrom
District Clerk

bmh