

March 22, 2012

The Marshall County Board of Education met in special called session on Thursday, March 22, 2012, at 6:30 p.m. in the Board Conference Room at Jones School to address the director's contract between March 9 and June 30, 2012, approve outstanding Coordinated School Health invoice, and review the audit report.

Members present were Curt Denton, Kristen Gold, Harvey Jones, Barbara Kennedy, Mike Keny, Donnie Moses, Randy Perryman, and Ann Tears. Sam Smith was absent. Board attorney Sam Jackson was also in attendance.

Prayer/Pledge

Mr. Keny opened the meeting by welcoming the new director of schools, Jackie Abernathy.

Mr. Jackson addressed the first item on the agenda, the director's contract. Mr. Jackson explained that he had been approached by Ms. Abernathy proposing to remain on retirement through the end of this fiscal year. If the board chooses to accept this proposal, the system would save \$10,166.42 (due to no: social security match, retirement reimbursement, medical, dental, life insurance); she would remain on retirement until July 1 and be paid a per-day expense of \$488.39, which totals \$39,142.26. If the board chooses not to accept this proposal, Ms. Abernathy would be paid \$49,308.68 between March 9 and June 30 of this year. Ms. Kennedy made a motion, with a second by Mr. Moses, to revise/add the contract and accept Ms. Abernathy's generous offer to work for less for four months. Mr. Jackson will draft the contract. The motion passed 7-1, with Ms. Tears voting no.

Concerning the outstanding CSH bill, Ms. Tears questioned why an administrative matter was on the agenda; Ms. Abernathy explained she brought the bill to the attention of the board because Mr. Dukes had alternately told budget director Shelia Cook-Jones to not pay the bill, then to pay the bill, and finally not to pay the bill. Ms. Abernathy stated that since there were varying instructions to the budget director and the incident occurred before her start date as director, she wanted the board to determine whether or not to pay the bill. Mr. Denton made a motion to pay the bill out of CSH funds; Mr. Jones seconded the motion. Michelle Ashley, CSH coordinator, addressed the board, stating the money will not be used to pay a specific vendor or bill; CSH will write a check to MCHS with the words "Black History Month Program" in the memo line, so any debt incurred to present the program would be paid. She added the State Department had approved the intent to support the Black History Month program when it was submitted in last year's CSH plan. Following discussions, Mr. Denton withdrew his original motion, then made a motion, with a second by Mr. Jones, to pay MCHS out of CSH funds and for MCHS to pay the bill in the amount of \$653.64. The vote was as follows:

Mr. Denton	Yes	Ms. Kennedy	No	Mr. Perryman	Yes
Ms. Gold	No	Mr. Keny	Yes	Ms. Tears	Abstain
Mr. Jones	Yes	Mr. Moses	Abstain		

The motion failed 4-2-2.

As discussions resumed, Mr. Denton urged the board to vote again and pay the bill. Mr. Denton made a motion to pay MCHS out of CSH funds and for MCHS to pay the bill in the amount of \$653.64. Mr. Jones seconded the motion, and the motion passed 7-0-1, with Ms. Tears abstaining.

Ms. Kennedy began discussions of the county audit report by addressing a finding which deals with the school system making purchases from Southern Carton, a business owned by Ms. Kennedy's husband. Ms. Kennedy said she contacted the state department concerning the issue; the response she received: because she has timely filed a Statement of Disclosure of Interests yearly with the state that identifies Southern Carton as a source of income for her family and the board did not vote specifically on the purchase, this is not a conflict of interest. To satisfy the recommendation of the audit report, Ms. Kennedy provided copies of the Statement of Disclosure for the past two years (attached). For the record, Ms. Kennedy explained she does not work at Southern Carton on a day-to-day basis and had no knowledge this transaction had taken place.

Mr. Jackson was questioned about the consequences of the action since the board has a conflict of interest policy. After reading the policy, Mr. Jackson stated that since there was no vote on the purchase, the policy does not address this situation. He went on to point out that the audit report states the finding is the result of a lack of managerial oversight. Mr. Jackson told the board he had spoken with the auditor and was told: something needs to be in place that each board member has to make a financial disclosure each year; the budget director needs to have a list of those people and the interests they have; the purchase order in question should never have been allowed to go through the process.

As discussions continued on the audit report, Mr. Moses stated the other findings involved capital asset records that were not properly maintained and expenditures exceeded appropriations. All the loose ends identified in the findings must be addressed by the end of this fiscal year.

At the conclusion of the audit discussion, Supervisor of Technology Suzanne Ingram, in speaking to the audit finding addressed by Ms. Kennedy, stated the purchase order was made as part of the Race To the Top Daily 5 program. She stated she never thought there would be a conflict of interest; the blame lies with her and not Ms. Kennedy.

The meeting adjourned at 7:42 p.m.

Respectfully Submitted,

---

Mike Keny, Chairman

---

Jackie Abernathy, Director