

PIEDMONT UNIFIED SCHOOL DISTRICT
Council Chambers, City Hall
120 Vista Avenue
Piedmont, California 94611

MINUTES OF
Regular Meeting of the Governing Board

February 10, 2010

CALL TO ORDER	Board President Gadbois called the meeting of the Board of Education to order at 6:31 p.m.
ESTABLISHMENT OF QUORUM	President Ray Gadbois, Vice President Roy Tolles; Board Members June Monach, Martha Jones, Rick Raushenbush
ADJOURN TO CLOSED SESSION	The Board adjourned to Closed Session at 6:32 p.m. to discuss: A. Conference with District Representative Constance Hubbard, Regarding 2009-10 through 2010-11 Negotiations with the Association of Piedmont School Administrators (APSA) (Government Code Section 54956.6)
OTHERS PRESENT FOR CLOSED SESSION	Constance Hubbard, Superintendent Dr. David Roth, Assistant Superintendent, Educational Services
RECONVENE TO REGULAR SESSION	Board President Gadbois called the Regular Session of the Board of Education to order at 7:05 p.m. and led the Board and audience in the Pledge of Allegiance.
OTHERS PRESENT AT REGULAR OPEN SESSION	Constance Hubbard, Superintendent Michael Brady, Assistant Superintendent, Business Services Dr. David Roth, Assistant Superintendent, Educational Services
REPORT OF ACTION TAKEN IN CLOSED SESSION	None
AGENDA ADJUSTMENTS	None
COMMUNICATIONS / ANNOUNCEMENTS	
Association of Piedmont Teachers (APT)	APT President Harlan Mohagen thanked the parent club presidents for sending out their open letter regarding faculty, staff, and administrator sacrifices made in terms of being willing to do whatever it takes to move the District forward. Teachers spoke very appreciatively of this letter. Diane Bomberg, Beach teacher, shared her differentiated instruction techniques for her math program.
California School Employees Association (CSEA)	None
Associated Parent Clubs of Piedmont	None
Student Representative to the Board	Ally Leong, Student Representative to the Board, was unable to attend tonight's meeting (excused).

PERSONS REQUESTING TO SPEAK ON ITEMS NOT ON THE AGENDA

Resident Margaret Pillsbury, who voluntarily teaches English As a Second Language at the Adult School, urged the Board not to discontinue the ESL program. She feels the program is very beneficial and changes lives.

President Gadbois advised her that the Board is precluded from discussing items not shown on the agenda. Staff will review the issue.

Superintendent Announcements

Next week is a non-student, non-staff week; the District Office will be closed on Monday and Tuesday.

Board President Announcements

None

Swearing In of Board Members

Because two incumbents for the Board of Education ran uncontested, an election did not have to be conducted, only a swearing in. City Clerk Ann Swift administered the Oath of Office to incumbent Board Members Ray Gadbois and Roy Tolles.

Reorganization of the Board

Superintendent Hubbard invited a motion for the position of Board President.

It was moved by Board Member Monach, seconded by Board Member Raushenbush, and passed unanimously to nominate Board Member Gadbois (accepted nomination) to continue as President of the Board of Education from February 2010 through July 2010.

President Gadbois invited a motion for the position of Board Vice President.

It was moved by Board Member Jones, seconded by Board Member Raushenbush, and passed unanimously to nominate Board Member Tolles (accepted nomination) to continue as Vice President of the Board of Education from February 2010 through July 2010.

It was moved by Board Member Raushenbush, seconded by Board Member Monach, and passed unanimously to nominate Superintendent Constance Hubbard (accepted nomination) as Secretary to the Board for the period from February 2010 through July 2010.

The annual reorganization will take place in July 2010.

PRESENTATIONS

- 1. Piedmont High School Student Artwork Presentation

Piedmont High School Principal Randall Booker introduced Art Teacher Helen Brainerd, who teaches Levels 1 through Advanced Placement, and Ceramics teacher Susan Simonds, Levels 1 through Advanced Placement. Both teachers have multiple grade levels of students. Student Isabella D'Ambrosi created a sculpture of a youth in a wheelchair looking up at a long flight of stairs to show the plight of accessibility for wheelchair-bound persons. She has a friend in a wheelchair.

Student Ella Ross discussed the Memory Project for advanced placement high school students, whereby portraits of orphans all over the world are done; the second project was employing professional models for the last seven classes of figure drawing.

Both projects were funded by PAINTS, for which the teachers publicly thanked the organization.

Parents of the art students were recognized.

2. Report from the Citizens' Advisory Committee to the Parcel Tax Program

Jon Elliott, Chair of the Citizens' Advisory Committee to the Parcel Tax Program, provided a report to the Board of their work. The committee is a Board-appointed committee and acts as an advisory committee to the Board.

The recommendation from the committee is to levy the full amount of the Measures B and E parcel tax. The committee's goal in the coming year is to provide independent review of the benefits packages and to look at the availability of other sources, and comparable numbers for District employees. The committee also plans to speak with parent and community groups to communicate broadly the work of the committee.

President Gadbois reviewed the context in which the report recommendations will be reviewed. There will be two public hearings in March and April. In April the Board will decide the levy amount for both parcel taxes. Board Member Tolles expressed an interest in having there be back and forth dialogue with the committee based upon interests of the Board. Board Member Jones appreciated the time spent in developing the report and developing historical financial data. Board Member Monach felt it would be helpful if, in the future, the Parcel Tax Committee also include the actual ballot language for the purpose of the parcel tax funds, and the original charge of the committee as a way of communicating to the public. She noted in the charge of the committee that "the Board may ask the committee to provide additional evaluations or recommendations on specific budget or program questions." She looks forward to having some dialogue on what that focus might be. She also felt it would be helpful to the Board for the committee to combine/compile some financial trend data and then hone in on indicators or drivers for budgets over a period of time. Additionally, it would be helpful to use compiled data from past parcel tax advisory groups on what information looks like in comparable communities and districts. Regarding the comment made by Citizens' Advisory Committee member George Childs, one way his voice and other committee members could be heard is if the committee weighs in on the "Guiding Principles for 2010-11 Budget Development" that were developed by the Board for the multi-year projections. President Gadbois concurred with Board Member Monach's desire for key metrics to track on a 10 year basis. As has been done in the past, it also would be helpful for the committee to develop comparative data and capture this information on an ongoing basis. President Gadbois suggested that time be agendized with the Board to discuss and identify specific focus areas for the committee.

The Board expressed its appreciation to the committee.

REVIEW AND ACTION ITEMS

District Presentation by Kelling, Northcross & Nobriga (KNN) Financial Consulting Firm, on Bond Funding Options and Provide Direction to Staff on a Request for a California Department of Education (CDE) Waiver to Exceed Statutory Limit on Bonding Capacity

A review of bond program financing options was provided by Ms. Ruth Alahydoian at the Board meeting of January 13, 2010. At that time, options discussed included the issuance of \$13 million as bonds, \$9 million as a Bond Anticipation Note (BAN), or issuing all \$22 million as a Bond Anticipation Note (BAN). The Board also requested that staff research the possibility of requesting a waiver from the California Department of Education (CDE) to exceed the 2.50% threshold of total assessed value for the issuance of bonds (i.e. to exceed the current bonding capacity, but not the total bond authorization). The application for the waiver is to insure maximum flexibility for the next issuance of bonds by the District. The waiver, if granted, will allow the District the option to take advantage of favorable interest rates and programs such as Qualified School Construction Bonds (QSCBs) available at the time of issuance. The goal is to protect the long range well-being of the community taxpayers by considering both cost and term of the total authorized bond capacity for the seismic strengthening program of \$56 million. Projections to meet current obligations include the need to issue \$10M in bonds or BANS by May 2010. The waiver will allow flexibility in the Board's decision to schedule the start of the Wildwood project. Decisions on the size and type of bonds to be issued will be made at a later meeting based on cash flow demands, receipt of State funds and project schedules.

Assistant Superintendent Michael Brady advised that, from the approved \$56 million bond authorization, the District has issued approx \$34 million. The board committed to doing a certain level of projects, known as Phase 1 Projects: the Maintenance building, the Ellen Driscoll Theater, the Havens Elementary School rebuild, and the Piedmont High School Quad/Library Building and Student Center Building. These projects will be able to be completed under the District's existing authorization and bond capacity. We require about \$10 million to finish the projects. However, because the District has not yet received its State funding, in order for us to continue with the Wildwood Construction Project, the District needs to receive more funds.

Options and debt capacity information were provided and reviewed again by Ruth Alahydoian, Vice President of Kelling, Northcross & Nobriga. The tax limit rate limits the maximum tax rate to \$60 per \$100,000 of assessed valuation. It applies at the time of issue only and applies to all bonds issued from one bond measure.

If the District wants or needs to issue all \$22 million in remaining bond authorization in 2009-10 or 2010-11, a debt limit waiver will be needed. Without a waiver, the District can still issue up to \$22 million in BANS and issue up to \$13 million in regular bonds.

Cash Needs and Timing:

- Spring 2010 - \$10 million
District needs approximately \$10 million this Spring to complete projects currently in progress.

- Fall 2010 - \$12 million
District will need up to \$12 million in the Fall to complete Wildwood construction and Beach construction documents

February 26, 2010 is the deadline for submitting a waiver request to the California Department of Education.

Questions from the Board to Ms. Alahydoian ensued.

There was no one from the public wishing to speak to this issue.

It was moved by Board Member Raushenbush, seconded by Board Member Monach, and passed unanimously to direct staff to prepare an application to the California Department of Education seeking a waiver of the statutory limit on bonding capacity subject to the results of a public hearing to be held at a future Board meeting.

President Gadbois reiterated to the public that applying for the waiver does not mean that the District necessarily will need or use the waiver. This will be subject to a future Board discussion and hearing on March 10, 2010.

District Budget Discussion: Board to Provide Direction to Superintendent Regarding:

1. Potential Additional Loss of \$700,000 in Revenue for 2010-11; and
2. DRAFT Layoff Resolution for the Elimination of Particular Kinds of Services (PKS) for Board action on March 10, 2010

Superintendent Hubbard reported that District staff is in the process of preparing the Second Interim Financial Report. The Governor's Budget came out in January, stating that the District is going to be reduced by anywhere from \$200-\$300 per child for the 2010-11 school year. That is the definition of "protected" from our current level of funding at this point. At the Second Interim Report, which is due March 10 and based on actual expenditures and known facts through January 31, 2010, this is the first time the District has been told to absolutely include the projections in the January budget as part of our Second Interim development. This is usually not done because it is so speculative. Because our funding has been reduced, we have been advised by the County and State to count on how would we handle this range of reductions, which could be up to \$700,000 in additional reductions.

The Board approved the plan summarized below at the Board meeting of January 26, 2010 for the implementation of \$1M in reductions in expenditures for the 2010-11 school year.

Proposed \$1M reductions for 2010-11

\$ 460,000	Furlough days/reduction in total contract year: APT (5) \$350,000; CSEA (3) days and Administrators to be agreed for a projected total \$110,000.
\$ 100,000	Reduce PHS by 1.2 FTE in directed studies and test coordinator. Will require lay off with English credential as the PKS (Particular Kind of Service)
\$ 35,000	Reduce .2 lab assistant and slightly increase class size in science classes (remain 30 or less). Does not require to be a PKS in lay off due to current staff assignment status

- \$ 35,000 Increase PMS and PHS physical education class size to 40. May require a .4 FTE lay off as PE noted for the PKS
- \$ 125,000 Do not replace Director of Curriculum position; continue assignment of MHS Principal and distribute duties to current administrative staff
- \$ 70,000 Reduce staffing by 2.2 classified, regular education paraeducator from 2009-10 level. Assign 5 hours per week in all K-5 classes for paraeducators. Represents a reduction of 5 hours per week for 4th and 5th grade and 2 hours per week in 3rd grade. Reduce staffing for elementary combination classes to 10 hours per week.
- \$ 20,000 Eliminate stipend for elementary teachers who teach a combination class (project two for 2010-11 at \$10,000 each)
- \$ 40,000 Reduce all co-curricular stipends to base rate \$1454 per year.
- \$ 60,000 Reduce 1.0 FTE in custodians.
- \$ 60,000 Reduce up to 1.0 FTE in grounds/maintenance personnel.
- \$1,005,000** Cost estimates are conservative and involve a combination of on-going reductions and one-time only as agreed for 2010-11. Continuation and or identification of reductions for 2011-12 will require agreement as part of the collective bargaining process for new contracts for APT and CSEA to begin July 1, 2011.

Superintendent Hubbard stated that with this \$700,000 reduction looming, the District needs a plan, as part of the Second Interim, to determine how we would deal with this. A lot of districts are increasing the Particular Kinds of Services reductions for certificated to allow legally the flexibility to reduce their budgets. For instance, in order to reduce our District's budget by \$700,000, we could change the 1.8 FTE reductions to 11.8 FTE in reductions. One of the issues with this is that the 10.0 FTE would have to be identified internally by District staff. Staff does not have the time between now and March 10 for lots of public input, community input, meeting with staff, etc., because the preparation that it takes to identify the seniority list, prepare all of the individual layoff packets, schedule hearings, etc., will not allow time between now and when the Board is going to have to act on all of it, which is March 10.

She continued that an idea was proposed to meet with all parent club presidents, support club presidents, and the Piedmont Educational Foundation to talk about what they may be willing to pledge in unallocated funds in their budgets toward the \$700,000 to support a K-12 program, defined as our current program, with the \$1

million in reductions that have already been planned for next year, to see if we could point to \$700,000 of money that is already raised and in the bank and would be called on as necessary. In the future, moving forward, we must decide what our breadth and depth of program will be.

The Piedmont High School Parents Club has already voted to set aside \$90,000 from their budget "for the good of the order" for K-12 program. Superintendent Hubbard will know by the end of the month how all groups have decided.

The Superintendent is asking the Board if they wish to proceed with asking for commitments from parents clubs and support clubs, or do they instead want staff to identify \$700,000 worth of certificated positions/people. The District cannot count on a second wave of layoffs. That choice is not likely to be open this year. The County wants to know how we plan to meet our obligations.

President Gadbois would want to go back to the table and speak with employee groups about renegotiating salaries before including additional layoffs.

The 2010-11 Budget Development summary assumes approval of staffing ratios, Association of Piedmont Teachers (APT) and California School Employees Association (CSEA) Memorandums of Understanding (MOU's) as presented this evening and savings from agreements in process with the Superintendent and Association of Piedmont School Administrators (APSA – includes site administrators, District administrators, Confidential Classified, Classified Managers and PMS/PHS Food Service Managers).

The information presented also included an update on the impact of the Governor's January Proposed 2010-11 State Budget on Piedmont. Based on the information provided by the Alameda County Office of Education as of February 3, 2010, the Second Interim Report to be presented on March 10, 2010 must include the ramifications of the potential loss of revenue for Piedmont of an additional \$700,000 in 2010-11 and beyond. The State Revenue for K-12 education will not be finalized until the State budget is approved. Despite the July 1st deadline and based on past practice, it is unlikely the District will have confirmation of revenue until August 2010. Based on various contingency options available, staff is requesting direction from the Board for the development of the Second Interim Report. The options presented are not mutually exclusive and can be combined.

OPTIONS/IMPACTS:

1. Expand the proposed March 10, 2010 PKS lay off list to include the option to lay off up to an additional 10 certificated positions in 2010-11. It would not allow time for comprehensive input as to which particular service to include. It would require serving notice to an additional 10-20 staff members, and increase legal costs and staff time to implement a hearing process. We do not know State requirements for implementation of specific reductions nor what is considered permissible. This will require significant reductions in student program offerings starting in 2010-11.

2. Presume that the final State Budget will include provisions for an alternative lay off process and timeline as was allowed in 2009-10. This may not be timely enough for reasonable implementation. It would also extend by several months the uncertainty staff will experience awaiting notices of layoffs. This will require significant reductions in student program offerings starting in 2010-11.
3. Wait until actual loss of revenue is known and make plans based on verified numbers. This scenario is unlikely to be accepted by the County as feasible and would require a negative certification for the Second Interim. This option does not allow adequate time for planning and implementation.
4. Request support organizations to pledge all uncommitted funds to backfill loss of State Revenue in 2010-11. This option increases dependency on one-time funds to balance budget. It maintains current program planned for 2010-11 and allows time to plan and implement program changes for 2011-12. By the Board meeting, the Superintendent will have talked with four Parent Clubs and the Piedmont Educational Foundation about the concept and can report the feasibility of this approach.

Staff is in the process of finalizing the Second Interim Report which must be presented to the Board prior to March 15th of each year. The Second Interim requires that the Board certify the District's General Fund Budget as positive, qualified, or negative based on our ability to meet our fiscal obligations for the current and two subsequent fiscal years. We are confident in our ability to meet our obligations for the current year and will incorporate a strategy based on direction from the Board to meet our obligations for 2010-11. The multi-year projections will require that the shortfall for 2011-12 is identified and strategies to balance the budget are identified and approved as part of the 2010-11 Budget Adoption process. The Board is required to approve a 2010-11 District Budget at its June 23, 2010 meeting that includes multi-year projections for 2011-12 and 2012-13.

The presentation of the Memorandums of Understanding are tied to these general provisions and are effective for the 2010-11 school year, only.

Board Member Monach supports Option #4.

President Gadbois does not want to do any more layoffs than what is already on the table and does not want to ask staff to go through the process to identify all the names. He would like time to engage in discussion with organizations next year about structural change. He said if we cannot identify \$700,000 in cutbacks, we need to identify other areas, such as the Deferred Maintenance Fund and other reserves, to fill the gap.

Board Member Raushenbush cautioned that if the District finds that it cannot fill the gap between the pledges and the \$700,000, layoff notices would have to be looked at.

The Superintendent will know by February 26 the total amount of monies that the parent clubs and support clubs are willing to contribute. In addition to structural changes we have to look at, the District will also have to look at defining what this essential program is, how we deliver the K-12 program we want, and staffing ratios that we will be using.

Resident Jon Elliott observed that the Board seems to be deferring taking action. How much deeper are we willing to go into reserves to trust that it will be figured out next year? A lot of the Board's long-term discussions presume that the community is smart enough or patient enough or perhaps inattentive enough that we can continue to thrash around. At the same time that we are unwilling to risk the morale of the staff, if the Board is looking at the people and saying 'you have to take the risk with us' and if the Board comes back and says, 'once the budget gets to be \$____, we need to figure out if it has to come out of staff hide or out of short-term immediate negotiations with employee groups', that is not a good idea. He said the Board should not continue to say the District will make it through this crisis and then be ready for the next crisis. The District also needs to look at generating money through interdistrict permits and finding out why students in Piedmont are attending private schools.

Harlan Mohagen strongly encouraged the Board to think about the morale of the staff who have been actively working on negotiations to look at ways of cutting costs, such as benefits. She asked the Board to allow them the time to put into place some of the issues being worked on.

Superintendent Hubbard added that one of the important points brought up in discussions is the idea of morale affecting program. It also became very clear in discussions with high school and elementary school staff that staving off the inevitable cuts is one more year's worth of experience that students will receive.

Board Member Tolles responded to Mr. Elliott's comments, saying that the Board approved the zipping of employee bargaining unit contracts and that for 2011-2012, the total educational program will be looked at. With the cuts in funding from the State, perhaps the District should be looking at tailoring a program that will be 80% of our current K-12 educational program.

The Superintendent noted that on page 16 of the Board agenda packet, under Options/Impacts, Item #3, the scenario would not require a negative certification; that was a mistake.

It was the consensus of the Board to direct the Superintendent to continue to work with parent club and support club organizations to see if the \$700,000 in reductions can be made up through contribution commitments and if not, make contingency plans for any gap up to the \$700,000; do not increase any reductions already planned for the discontinuance of certificated Particular Kinds of Services (although some tweaking may need to be done because student signups are happening right now and class size research needs to be finalized); to develop the Second Interim Financial Report based on this information; and to begin talks right now with

all organizations regarding future budget planning.

Board Recess

President Gadbois called for a five-minute recess, to reconvene at 10:00 p.m.

Accept School Accountability Report Cards, 2008-09 for:

- Beach Elementary School
- Havens Elementary School
- Wildwood Elementary School
- Piedmont Middle School
- Piedmont High School
- Millennium High School

Dr. David Roth, Assistant Superintendent, Educational Services, stated that School Accountability Report Cards are one way of informing the community about conditions, needs and progress at each school and to provide data by which parents/guardians can make meaningful comparisons between schools. The reports are mandated by the State and done using a State template so some information may not be on the report that people are interested in. However, additional information can be easily obtained via the internet. He added that information in the report cards is very comprehensive. The reports are unfunded and take a lot of time to put together to meet the letter of the law.

It was moved by Board Member Monach, seconded by Board Member Tolles and passed unanimously to accept the School Accountability Report Cards for 2008-09.

CORRESPONDENCE

The following correspondence was received:

- 1 email from a community member about a lawsuit in Southern California regarding artificial turf
- 1 email from a community member with a public safety suggestion in the event of an earthquake
- 2 emails from community members providing input on whether or not to proceed on financing for work on Wildwood and Beach

Board Member Raushenbush received a letter asking about overtime in the District.

Board Member Jones received an email from the Piedmont Language School. They are planning to do a survey concerning their program.

Former Board Member Cathie Geddeis forwarded some information from San Marino High School regarding discussions they are having about the fiscal crisis. They have a \$5 million deficit for 2010-11 and they have the same size budget as Piedmont.

Board Member Gadbois received a communication regarding a personnel issue, which he will be forwarding to the Superintendent.

Board Member Jones asked questions about co-curricular stipends.

BOARD REPORTS

Board Member Monach advised that the Piedmont Language School has a brand new board and they are spending some time revisiting their mission and services they offer. They have recently experienced some decline in enrollment and want to develop a survey to go out to the community to assess what people want in a language program. Board Members Monach and Gadbois met with three of their Board members.

Board Member Monach reminded Board members to pass along their feedback on long-range planning to Dr. Roth.

BOARD REPORTS

CONSENT CALENDAR: ACTION ITEMS

It was moved by Board Member Monach, seconded by Vice President Tolles, and passed unanimously to approve the Consent Calendar as presented:

- A. Adopt Regular Board Meeting Minutes of January 26, 2010
- B. Approve Personnel Action Report
- C. Approve Financial Report of the District for the Month of January 2010
- D. Approve Warrant List Dated February 4, 2010 for Goods and Services Rendered
- E. Approve three Individual Service Agreements and one Master Contract with ANOVA Education and Behavior Consultation, to conduct two Functional Ability Analyses for two students and to provide the District with forty hours of behavioral consultation, effective September 22, 2009 through June 30, 2010, at a total cost not to exceed \$6,880.00. Funding: Special Education

FUTURE BOARD AGENDA ITEMS

Future Board Agenda items are shown below and are subject to change:

—————> **(SUBJECT TO CHANGE)** <—————

- Review 2009-10 Second Interim Financial Report of the District; Determine a *Positive, Qualified, or Negative Certification* of the District's Ability to Meet Financial Obligations for Current Year and Subsequent Two Fiscal Years; and Adopt Resolution Authorizing Budget Transfers of Funds (Mar 10)
- Public Hearing & Adopt Resolution for Certificated Layoffs (Mar 10)
- Mid-year assessment on 2009-10 Goals and Objectives (Mar/Apr)
- Public Hearing and Board Action on Recommendations of Piedmont Recreation Commission Regarding Use Restrictions on New Havens Playfield (Mar/Apr)
- Long Range Planning: Mission Statement and Themes ("Shaping Our Future Initiative") (Mar/Apr)
- Quarterly Comprehensive Bond Program Budget Presentation, including Cash Flow Demand (Mar 10)
- Certification of Athletic Coaches (Mar)
- Extend Lease Agreement Between the District and Emery Unified School District for Use of Ralph Hawley School (Mar 24)
- Contract for Moving Services and Discussion of Using Prevailing Wage for Moving Expenses (Mar 24)
- Conduct Public Hearing on the Proposed Levy of the Current 2009-10 Parcel Tax, to be Levied in 2010-11 (Mar 24)
- Conduct Public Hearing on the Proposed Levy of the Current 2009-10 Parcel Tax, to be Levied in 2010-11 and Adopt Appropriate Resolution(s) (Apr 14)
- Notification of 2010 Arthur Hecht Volunteer of the Year Awardee (Apr 14)
- Recognition of 2010 Arthur Hecht Volunteer of the Year (May 12)

- Review of Facilities Use Fees (TBD)
- Board Workshop on Interdistrict Transfers (TBD)
- Review of Board Bylaws (Section 9000) (TBD)

ADJOURNMENT

There being no further business, and with no objections by the Board, President Gadbois adjourned the meeting at 10:33 p.m.

RAY GADBOIS, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education