

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

MINUTES OF
Regular Meeting of the Governing Board

March 11, 2009

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- CALL TO ORDER Board President Monach called the Board of Education meeting to order at 5:45 p.m.
- ESTABLISHMENT OF QUORUM President June Monach, Vice President Ray Gadbois, Board Members Roy Tolles, Martha Jones, Rick Raushenbush
- ADJOURN TO CLOSED SESSION The Board adjourned to Closed Session at 5:46 p.m. to discuss:
- A. Conference with District Labor Negotiator Laurie Juengert of Fagen Friedman & Fulfroost Law Firm Regarding Negotiations with the Association of Piedmont Teachers (APT) (Government Code Section 54957)
 - B. Public Employee Discipline / Dismissal / Release (Government Code Section 54957)
- OTHERS PRESENT FOR CLOSED SESSION Constance Hubbard, Superintendent
Michael Brady, Assistant Superintendent, Business Services
David Roth, Ph.D., Assistant Superintendent, Educational Services
- RECONVENE TO REGULAR SESSION Board President Monach called the Regular Session of the Board of Education meeting of March 11, 2009 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
David Roth, Ph.D., Assistant Superintendent, Educ. Services
- Report of Action Taken In Closed Session President Monach reported that in Closed Session tonight:
- It was moved by Board Member Raushenbush, seconded by Board Member Tolles, and passed unanimously to release thirty-three (33) temporary certificated employees.
- It was moved by Board Member Gadbois, seconded by Board Member Raushenbush, and passed unanimously to reassign four (4) site administrators.
- Agenda Adjustments None
- COMMUNICATIONS / ANNOUNCEMENTS
- Association of Piedmont Teachers (APT) Marjorie Lawson, President of the Association of Piedmont Teachers (APT), spoke about "Pink Friday". State law requires that pink slips for certificated employees being laid off be issued by Friday, March 13. The California Teachers Association has organized a statewide

day of action to draw attention to the more than \$11 billion in cuts to schools and colleges. Also on Friday, March 13, educators throughout California will wear pink in support of public education. The APT is asking students, parents, and community members to also wear pink on that day in support of teachers. Ms. Lawson thanked the Superintendent and Board President for helping to get the word out regarding this issue.

California School Employees Association (CSEA)

None

Parent Clubs

None

Student Representative to the Board

Will Pritchett, Student Representative to the Board:

- Reported on the successful junior prom; there was a big turnout
- Students are trying to adjust to daylight savings time!
- Students are saddened to hear that some of their favorite teachers won't be back next school year due to cutbacks

PERSONS REQUESTING TO SPEAK ON ITEMS NOT ON THE AGENDA

None

Superintendent Announcements

Superintendent Hubbard announced that the numbers for kindergarten through fifth grade enrollment were higher than previously. She encouraged parents who will be having new students to register at the school site as soon as possible.

Summer School is being offered through the Associated Piedmont Clubs of Piedmont. For more information, go to their web site: www.apcpssummerenrichment.org

Superintendent Hubbard thanked staff, students and parents at-large for their patience as we move through the budget and cutback process. She said it is a very devastating time which is affecting peoples' lives and students' education.

Board President Announcements

President Monach announced that:

- The Piedmont High School Theater Department will be performing "Alice in Wonderland" on Friday, March 13, 4:00 p.m.; Saturday, March 14, 7:00 p.m.; and Sunday, March 15 at 7:00 p.m. The program is for all ages.
- A PAINTS and MOCHA-sponsored "Art Is Education" event will be held at the Ellen Driscoll Theater on March 29 from noon to 3:00 p.m. It will be called the "Mad Hatter Tea Party" and is open to all ages.

REVIEW AND ACTION ITEMS

First Reading of Board Bylaw 9320, "Meetings and Notices"

The proposed change to the Board Bylaw is to add information about the availability of the agenda and backup materials and to add wording for ending Board meetings that go beyond 11:00 p.m. Additional verbiage was requested.

There was no one in the public requesting to speak.

It was moved by Board Member Raushenbush, seconded by Vice President Gadbois, and passed unanimously to place this item under

the Consent Calendar for a Second Reading and adoption at the March 25th Board meeting.

Adopt Resolution 12-2008-09, "In the Matter of the Reduction or Discontinuance of Certain Certificated Particular Kinds of Services for the 2009-10 School Year"

The Resolution was first presented at the Special Board meeting of February 24 for a public hearing. Tonight's meeting is a second opportunity for public input and adoption.

The Resolution calls for the reduction of 25.5 full-time equivalents (FTEs) which affect more than 25.5 employees because the District has many part-time employees. Sections of classes will be affected. Although Class Size Reduction is listed as a possible reduction, it is not recommended by administrative staff. Fifty-two (52) employees will be given a "pink slip".

A similar process for classified employees will take place in May to be effective the end of the school year.

The public hearing was opened.

Beth Black, Piedmont High School English Department Chair, questioned the balance of the FTEs. There are 2.8 FTEs being reduced in the English Department. With the reduction of three persons out of the ten-person department, it will be difficult for the remaining teachers to keep up the enthusiasm and spirit that will be lost. One-on-one time with students will be severely affected.

Elise Marks, English Department teacher, was startled at the reduction in their department. It scares her to think how she can be the kind of teacher she wants to be with these reductions. The number of letters of recommendation for college and college essays is already time-consuming and she does not see how she could take on more. She hopes more FTEs can be restored.

Rosie Reid, English Department teacher who will be getting her pink slip on Friday: The reduction in particular kinds of service will make it impossible to do some of the things they now do. It would be impossible to add more one-on-one writing conferences and an inordinate amount of time is already spent on looking at college essays.

Caitlin Cox, senior at Piedmont High School, shared that students usually always ask for teacher recommendations from the English and Social Studies Departments. She does not know how the criteria works and was wondering if there is a breakdown showing the cutbacks at each of the schools and in what departments.

Superintendent Hubbard explained that the particular kinds of services at the elementary school, when you are talking about FTE, it equals one teacher. At the Middle School and High School, grades 7-12, the FTE's get broken up by number of periods: .2 FTE is one period. In the High School, three extra periods of 9th grade English with Class Size Reduction is offered. It is on the list because the District is not sure if it will be getting the extra money to support that from the Morgan Hart program. The English class size has been set lower than other class sizes because of the reading, writing and correcting of papers. If the classes were brought up to the class size of other classes, it would require a reduction of 2.2 FTE, or up to 12

sections. The English classes at the High School could be reduced up to 14 sections. That would mean class sizes now at 20 would go up to 28 and class sizes at 24-26 would go up to 28. The District is trying to protect the breadth of the program. This is how the analysis was looked at. In Math, the District would have to increase the class size; there are presently extra classes in 9th grade Algebra and Geometry, and those smaller class sizes would go away.

Board President Monach said the process is very prescriptive; it is driven by seniority, number of years of service, and type of teaching credential one has.

The public hearing was closed.

Board Member Tolles said the parcel tax renewal, if approved, would affect what the District would try to restore but without knowing whether the tax would pass, we cannot include those funds.

Board Member Raushenbush stated the District has a limited amount of money; he sees no other options. The State has cut money we would otherwise receive and the District must match its budget. The end result is that layoff notices will occur. It is regretful but necessary. He expressed his hopes that the community will vote in favor of a parcel tax renewal.

It was moved by Board Member Raushenbush and seconded by Board Member Jones to adopt Resolution 12-2008-09, "In the Matter of the Reduction or Discontinuance of Certain Certificated Particular Kinds of Services for the 2009-10 School Year".

The Board was polled and the motion passed unanimously.

Board President Monach stated this is a very difficult process to initiate and on behalf of the Board, she thanked the student and faculty for their input and presence tonight. She also thanked the administrative team for managing the legal process in a way that is respectful to all certificated staff.

Conduct Public Hearing and Approve Proposed Contract Changes Between the District and the Association of Piedmont Teachers

Superintendent Hubbard stated the Association of Piedmont Teachers (APT) overwhelmingly approved the proposed current contract for 2009-10 and 2010-11 by "zipping", which means no changes will take place for this period. There will be no changes to the salary schedule other than the Step and Column increases (about one and one-half percent per year) and professional growth credits. There were a couple of minor "cleanup" provisions also approved by APT. The Superintendent stated that negotiating in advance has been very helpful because when reviewed by the County Office of Education, the District's statistics will make sense in terms of salary and benefits. It is a good example of cooperation between the District and the teachers' association in working together to address the budget issues. She recommended that the Board approve the contract.

Board President Monach opened the public hearing.

APT President Marjie Lawson reiterated that the APT did vote overwhelmingly (only one person voted "no") to approve zipping of

the contract, even though the employees know this means no cost of living allowance; however, the employees wanted to help during the this budget crisis.

Parent Catherine Ogle: there are other increases in the contract which are going to require higher payments such as Step and Column and health benefits. In this environment where people are losing their jobs, it is difficult to hear others are getting increased paychecks. Having public comment at this late stage puts the public at a disadvantage. A lot of people would have been interested in having more input regarding this issue.

There being no one else wishing to speak, the public hearing was closed.

Discussion was held on cutting teacher compensation rather than freezing. The Board was in consensus that Piedmont teachers are not over-compensated for their jobs and the Board is not inclined to cut compensation.

It was moved by Vice President Gadbois, seconded by Board Members Tolles, and passed unanimously to approve the contract changes between the District and the Association of Piedmont Teachers (APT) for 2009-10 and 2010-11.

Review and Adopt Yearly Budget
Development Calendar for 2009-10

The calendar is usually presented at the first Board meeting in January but the budget impacts for 2009-10 have been so unique that it was held up. There will only be one public hearing for the levy of the current parcel tax on April 7, 2009. The intent of the budget development calendar is to be able to notify the community as to the critical points in the next few months that affect the budget development process.

Student Caitlin Cox inquired as to the date of June 2 for the parcel election. It was explained that it takes several months to run a campaign and there were many unknowns due to the State budget uncertainties. The parcel tax co-chairs pointed out that if it had been earlier, we would have ended up with different numbers so waiting was a good idea. There is a fixed amount of time that has to pass before moving on to various stages. Also, at one time the State was going to hold a special election in June and then they changed their mind.

It was moved by Vice President Gadbois, seconded by Board Member Jones, and passed unanimously to adopt the 2009-10 Budget Development Calendar.

Board Recess

President Monach called for a ten-minute recess until 8:30 p.m.

Review 2008-09 Second Interim Financial Report and Approve a *Qualified* Certification of the District's Ability to Meet Financial Obligations for Current Year and Subsequent Two Fiscal Years; and Adopt Resolution 14-2008-09, "Authorizing Budget Transfers of Funds"

Assistant Superintendent Brady presented a report, a segment of which follows:

"The Budget is fluid and therefore under constant revision as revenues and expenditures are clarified. Governing Boards are required to certify the financial condition of each school district at two intervals during the school year. Per the requirements of AB 1200, a *Positive* Certification means that the District will be able to meet its

financial obligations for the remainder of the current fiscal year and subsequent two fiscal years. A *Qualified* Certification indicates a district may not be able to meet financial obligations. A *Negative* Certification is used when a district will not be able to meet its financial obligations for the remainder of the year or for the subsequent two fiscal years. *Qualified* or *Negative* Certifications act as an “early warning device” and will be transmitted to the County Office, California Department of Education, and the State Controller for possible intervention by these agencies.

Certification is based on the General Fund Summary of Revenues and Expenditures as presented in the Interim Reports. The District submitted a *Positive* Certification for the 2008-09 First Interim Report presented in December 2008, with advance notice that given the State’s current fiscal crisis, the District would submit a *Qualified* Certification at this Second Interim Report. This report as presented reflects relevant information to the budget for 2008/09 and 2009/10 based on conditions as of January 31, 2009. Per guidelines established by the Alameda County Office of Education, the Second Interim report uses the School Services Dartboard of January 20, 2009 for COLA, revenue limit deficits, and categorical funding.

The recently enacted budget is devastating to K-12 education, reducing education spending by \$8.6 billion over the next 17 months. Although the details of the budget have changed from the Governor’s January Budget proposal, the magnitude of the cuts to education, unfortunately, have not been reduced. This has forced the District to take precautionary action in the likelihood of a “worst case scenario” by issuing layoff notices to 54 certificated staff representing 25.5 full-time equivalent teachers. These actions are required by law and must follow strict guidelines with respect to notification of employees. These actions are not shown as part of the Second Interim, but will be reflected in subsequent budget reports to the Board.

By submitting a *Qualified* certification, there are additional fiscal reporting requirements to the District. Future collective bargaining agreements are subject to County Office scrutiny prior to Board approval, and specific nonvoter-approved financial obligations (such as TRANS—Tax Revenue Anticipation Notes) are also subject to review. The District is also required to present a Third Interim report in May prior to the approval of the 2009-10 Adopted Budget in June of 2009. Staff has verified that the *Qualified* Certification at this time will not have a negative impact on the planned issuance of bonds for Measure E projects to support construction at Piedmont High School and the Havens Elementary School replacement (Becker Plan).

The financial summary of the Second Interim Report shows the financial condition of the District’s General Fund as of January 31, 2009. The final page is a summary of the three-year projection that indicates the District’s ability to meet its financial obligations for the current year and the anticipated shortfalls for the 2009-10 and 2010-11 fiscal years. It is important to note these are assumptions in place at the point in time when each budget revision and multi-year projection was developed. Although President Obama has signed into law a \$789 billion Federal Stimulus Package to boost the national economy, these “one-time” funds cannot be included in the

Second Interim Report. There are too many unknowns, including how much will actually reach our schools, when the funding will be received, and the determination of its use. Therefore, it is inappropriate for the District to recognize any funding from the Federal Stimulus Package until we have an official notification of an allocation.

The Governor's combined budgets for 2008-09 and 2009-10 acknowledges a multi-year economic crisis, and includes cuts in the District's Revenue Limit (the amount we receive per pupil) of approximately \$1.1 million in ongoing funding. The budget eliminates the projected statutory COLA of 5.66% in 2008-09 by imposing a deficit factor of 9.685% for a net revenue limit change of -4.57%. Additionally, there is a 0% COLA in funding to both Special Education and categorical programs (such as class-size reduction, instructional materials, school supplemental counseling, and school and library improvement).

The impact the budget crisis will have on the instructional program for students and the resulting effect on District employees will be realized immediately. In order to develop a balanced budget for 2009-10, the District will be issuing layoff notices for certificated staff by the March 15, 2009 deadline to meet statutory employment notices. This action provides flexibility to deal with the enacted budget and any potential future changes as a result of the Governor's May Revision or future legislation. Programs and staff can always be reinstated when a determination is made that they can be funded. Layoffs for classified staff are scheduled to be brought to the Board in April, 2009. Working with the Alameda County Office of Education, School Services of California, PUSD support groups, the Budget Advisory Committee, and our employee associations, we will review additional information as it becomes available, and develop a balanced budget for presentation to the Board in June of 2009 for 2009-10.

The budget documents presented in this Second Interim report continue to serve as a reflection of the District's goals and philosophy of spending current funds on current students. The early, partial use of the Parcel Tax Reserve (normally reserved for the final year of the existing parcel tax) is an example of this philosophy. The District budget remains consistent with the top priorities of providing a breadth and depth of program experience for all students and maintaining highly qualified staff by providing a competitive compensation package. As the District continues to develop its budget for 2009-10, we will look for ways to reduce expenditures and take full advantage of budget flexibility afforded by the State, including the "sweeping" of categorical beginning fund balances.

The most significant issues that affect the District's budget at this "snap-shot" in time are changes in the State's economy and enrollment trends. The multi-year projections reflect current conditions of the State budget, but do not as yet project the impact of statewide elections later this year or the local Parcel Tax election on June 2, 2009. Although the Board of Education and staff are committed to the maintenance of up to a 4% reserve as part of the fiduciary responsibility of operating the District, operating reserves for 2009-10 and 2010-11 in excess of 3% are unrealistic at this time.

Following are the assumptions used in the development of the Second Interim Report and the multi-year projections:

Second Interim (as of January 31, 2009) – Revenue: -\$250,640

Revenue is based on an Average Daily Attendance (ADA) of 2482 as confirmed from the P-2 from 2007-08. We anticipated decline in enrollment of 20 students for the current year. The District's enrollment from our annual CBEDS (California Basic Educational Data System) report from October 3, 2008 is 2528 students (down from 2552). The District is funded on the current or previous year's ADA, whichever is higher. The prior year figure is used for current year calculations.

There is a decline in the revenue limit of -\$736,135 as part of mid-year cuts. Reductions in State revenue includes approximately \$40,000 less in lottery funding and \$10,000 less for State supported programs like Beginning Teacher Support and Assessment (BTSA).

An increase of \$376,970 in State and local revenue due to a \$95,000 parcel tax accounting adjustment (offset by an expenditure adjustment of \$95,000); a one-time donation to the Wellness Center for \$20,000; revised income contributions of \$45,000 from parent clubs; \$55,000 in receivables from previous Ed Foundation grants; ADA contributions of \$1,600; a \$15,000 contribution from the Piedmont Recreation Department for the installation of a new floor at the Buzz Redford gymnasium at PMS; \$33,000 in donations from PRAISE and donations to music programs; \$45,000 in anonymous donations; and \$68,000 in receivables from associated student body funds and athletic fees. There is also a transfer of \$159,100 from the Parcel Tax Reserve in order balance the 2008-09 budget.

Second Interim (as of January 31, 2009) – Expenditures: +\$124,428

Increases include cost of substitute teachers for staff development workshops, medical leaves for employees, and adjustments to confirmed step and column salary calculations in October. There is a pending medical insurance benefit claim of \$25,000 against the District that is under review.

Books/Supplies expenses show a net decrease of approximately \$108,000 which includes "sweeps" of categorical funds where allowed; Services/Operating expenses of \$192,545 include the parcel tax accounting adjustment (\$95,000), anonymous grant expenses (about \$40,000), and costs for staff development, PRAISE expenses, increases in insurance and utility costs (about \$57,000).

Second Interim (as of January 31, 2009) – Ending Fund Balance: \$913,244

The total ending balance on June 30, 2008 is projected to be \$913,244 which represents exactly 3.00% of total expenditures because of the earlier than planned transfer from the Parcel Tax Reserve in the exact amount needed to meet the 3% reserve requirement. AB 1200 requires each district to maintain a 3% reserve for economic uncertainty. There is no undesignated balance.

Multi-year Projections (as of January 31, 2009) - 2009-10 Assumptions

Revenue:

- Cost of Living Adjustment (COLA) of 5.02% as projected by School Services of California and the State Legislative Analyst's Office
- 16.16% deficit factor compounded from 2008-09 for a -2.52% loss of revenue (e.g. per pupil amount received in 2007-08 was \$5838 and per pupil amount projected for 2009-10 is \$5569 for a loss of \$269 per year from now into the future)
- Decline in ADA of 12 students from the prior year to 2470. This is based on current year enrollment figures. P-1 ADA is at 2482.
- Categorical and Special Education funding at 0% increase from previous year.
- No mandated cost reimbursements are included as part of 2009-10.
- Recommended 5% increase in parcel tax revenues from Measures B and C as approved by the voters in June 2005. The Board will hold a public hearing on April 7, 2009 to determine the levy amount for the Parcel Tax for 2009-10.
- Piedmont Educational Foundation Endowment contribution of \$158,684
- \$0 for designated anonymous donations.
- Parent Club contributions of approximately \$1.25 million (direct District-funded support and parent club funded personnel with additional benefits costs)
- \$372,188 transfer from the Parcel Tax Special Reserve

Expenditures:

- 0% increase in salaries for all employees over the 2008-09 (collective bargaining agreement ratified by APT)
- Step and Column increases for all employees
- 8.0% increase in health and welfare benefits for all employees
- Unexpended funds in categorical programs to be reserved for the program from which the funding originated or captured as allowable under 2009-10 State budget provisions.
- No savings from retirees as included in the Early Retirement Incentive offered in 2009
- No transfer to Deferred Maintenance Program
- Ending Fund Balance: -\$686,795
- \$1,606,118 needed to meet the 3% reserve. Particular Kind of Service lay-off Resolution for 25.5 certificated FTE approved so that the District has the ability to reduce expenditures to meet reserve requirement

Multi-year Projections (as of January 31, 2009) - 2010-11 Assumptions

Revenue:

- Cost of Living Adjustment (COLA) 0.50% over the 2009-10 level as projected by School Services of California as of February 19, 2008.

- Continue deficit factor of 16.16 % (i.e. per pupil amount reduced to \$5456 for a reduction in per pupil funding of \$1,113 since 2007-08 or a **loss** of State funding of **\$2,762,466** in Revenue Limit Sources alone since 2007-08)
- Parcel Tax revenue same as in 2009-10 if base tax renewal approved by the voters on June 2, 2009. If not approved, the multi year projections in the 2009-10 Adopted Budget will reflect the need to reduce the General Fund by \$8,169,780 in revenue and expenditures
- Same ADA figure used for 2008-09
- Categorical and Special Education revenue at the same rate as in 2009-10 plus a 0.50% COLA
- No mandated cost reimbursement is projected in the budget.
- All Parent and support group contributions at the same level as in 2009-10 at approximately \$1.25 million (direct District funded support and parent club funded personnel with additional benefits costs)
- PEF contribution of \$158,684 on behalf of the Endowment Fund

Expenditures:

- No salary increase for any employee group (collective bargaining agreement ratified by APT)
- Step and column increases for all employees
- 8% increase in health and welfare benefit cost for all employees
- Savings of \$72,000 from a projected 4.0 FTE retirements.
- No transfer to Deferred Maintenance Program
- No transfer from the Parcel Tax Special Reserve fund to support programs in 2010-11, as all Parcel Tax Special Reserve funds have been exhausted.
- Ending Fund Balance: -\$3,174,715
- \$4,112,886 needed to meet the 3% reserve. The District will require additional lay-offs to those approved in 2009-10 to meet the reserve requirement. The total amount will be identified as part of the 2009-10 Adopted Budget. Action will be required by March 15, 2010.

Status of Other Funds Operated by the District as of Second Interim (1/31/09)

Adult Education

The Adult Education Fund indicates deficit spending for the 2008-09 year. As part of the multi-year projections, the State funding for 2009-10 and 2010-11 reflects a 0% increase. The law requires that the Adult Education program be self-sufficient and in no way supported financially by the District's General Fund. The Adult Education Fund remains fiscally solvent for 2008-09, but budget proposals on the horizon are extremely grim. Adjustments will need to be made at the Third Interim report in anticipation of 2009-10 budget estimations that reduce Adult Education funding by nearly 20% over the next two years. Severe cuts will need to be made to balance the fund in future multi-year projections. The possible expansion of ADA-generating programs to Emeryville as part of the District's lease agreement with Emery Unified may help offset some of these losses.

Cafeteria Fund

The Cafeteria Fund is a separate fund for which the District tracks all food services operations. Food services at the elementary sites are exclusively operated by parent volunteers. Food service at the High and Middle schools require 3-5 employees whose salaries are accounted for through this fund. All costs associated with the operation of the food services provided to the students are wholly supported by the Parent Club organizations. This fund does not receive contributions from the District General Fund. Revenue is anticipated to increase by the cost of salary and benefits for employees in the multi-year projections. Expenses include 0% increase in salaries for 2009-10 and 2010-11 and 1.5% in longevity increases only.

Deferred Maintenance Fund

The Second Interim Report reflects no transfer from the District General Fund as is typically required for the District to receive matching funds from the State. Current budget flexibility provides the District with Deferred Maintenance funding for the near term. The expenditures for this fund will support the District's Five-Year Deferred Maintenance Plan. Costs reflected in services and operating expenses are up slightly, and the use of Deferred Maintenance funds in support of Measure "E" projects is ongoing. Changes in the multi-year projections show identical expenditures in Deferred Maintenance, although these will no doubt be subject to change. Interest earnings for this fund have dropped significantly.

Building Fund

The Building Fund is the established fund for which all voter-approved Bond measure proceeds are accounted. The balance of the funds may be used in support of any voter-approved project. All current funds are derived directly from Measure E funds approved by the voters in March, 2006. Additionally, there is a Citizens Oversight Committee whose charge it is to review all District expenditures related to Measure E since the inception of the PUSD Seismic Risk Reduction Program. The COC must report to the Board to present an annual report. There are significant changes in the multi-year projections for the Building Fund because the Board has authorized construction projects at Havens Elementary School and Piedmont High School. The next issuance of bonds (in an amount projected to be \$19 million) will take place after June 30, 2009.

Capital Facilities Fund

The Capital Facilities Fund is a fund for capital projects as identified by the Board of Education. This was the fund through which all donations in 1999-2000 for the artificial turf at Witter Field were accounted. Interest earnings are the only changes to this fund.

Parcel Tax Reserve Fund

The Parcel Tax Reserve Fund was established for funds from the first year (2006-07) of the current Parcel Tax approved by voters to

support programs as necessary in later years of the term of the tax. \$500,000 was transferred from the General Fund into this account in 2006-07 to help support programs in the last years of the current authorization (2008-09 and 2009-2010). Earned interest on these funds in the multi-year projections has dropped (as all interest earnings have in all funds), and the amount required to be transferred back to the General Fund to meet the 3% reserve in 2008-09 is \$159,100. Depending upon interest rates, there will be somewhere between \$367,888 and \$372,188 disbursement in 2009-10. Multi-year projections show a \$0.00 balance in 2009-10 the last year of the current tax. Program will need to be reduced by \$8 million in 2010-11 if the Parcel Tax is not renewed by the Piedmont voters.

NODA Fund

The NODA Fund was established by the Board of Education to use the proceeds from the sale of a mural by the artist Noda to establish a fund from which the interest earned is used for grants to support visual arts at the secondary level. The NODA account is fully funded, and there are no changes to report at the second interim and there are no significant changes in the multi-year projections.

Summary and Recommendation

The Budget Advisory Committee (BAC), which is a standing committee with representatives from all stakeholders in the District, is a vehicle for dissemination of information to as many parents, students, staff and community members as possible. Its purpose is to review the District's budget, share the information with constituent groups and generate recommendations for Board consideration in the budget development process. It provides frequent opportunities for the Piedmont educational community to review the District's budget and identify trends and make recommendations for Board consideration in the budget development process. The Committee is advisory in nature and does not have decision-making responsibilities. After the BAC has reviewed the Second Interim Report, results of its discussions for budget priorities and recommendations will be presented to the Board of Education as part of the 2009-10 budget development process. Recommendations to balance the budget for the current year and subsequent two years will be reflected in the Third Interim Report presented in June 2009.

Staff is confident of the District's ability to meet financial obligations for the current year. Due to the budget crisis, the District will need to make pre-emptive adjustments to the development of the 2009-10 budget to guarantee fiscal solvency for 2010-11.

The uncertain economic times facing the State and national economy are having a disastrous effect on all school district budgets. The staff, Board of Education and community at large are aware of the effects of enrollment fluctuations and State budget uncertainties and will plan accordingly. Piedmont is committed to the long-term tradition of solid fiscal responsibility in the management of the District's finances. The District Business Services staff continues to work closely with the Business Services Department at the Alameda

County Office of Education and in consultation with School Services of California. The Alameda County Office of Education is dedicated to supporting Piedmont to assure all requirements of AB 1200 and the Daucher Bill are met.”

It was moved by Vice President Gadbois, seconded by Board Member Jones, and passed unanimously to approve a *Qualified* Certification of the District’s ability to meet financial obligations for the current year and subsequent two fiscal years.

It was moved by Board Member Raushenbush and seconded by Board Member Tolles to adopt Resolution 14-2008-09, “Authorizing Budget Transfers of Funds”.

The Board was polled and the motion passed unanimously.

President Monach thanked the Superintendent, Assistant Superintendent and Director of Fiscal Services Michelle Nguyen for all of their preparation and hard work in presenting the Second Interim Financial Report.

Measure E Bond Program:

1. Adopt Resolution 15-2008-09, “Authorize Bid Process for the Procurement of Transportation Services”

At the January 27, 2009 Board meeting, the Board approved the Emery Unified School District interim housing option. In order to implement this interim housing option, student transportation services will be required.

Pending approval of this resolution, the Superintendent will direct staff to issue a bid request for transportation services, pursuant to Sections 20111 and 20112 of the California Public Contract Code. Measure E Program Manager David Burke has been working with the Havens School Interim Housing Committee and the City Recreation Department to identify possible bus stop locations and preferred transportation procedures. This information will be included in the bid request in a manner providing the greatest degree of flexibility in determining and awarding the specific transportation services that will be required. A recommendation to award transportation services is anticipated to be brought to the Board on April 29, 2009.

There was no one from the public wishing to speak.

It was moved by Board Member Raushenbush and seconded by Board Member Tolles to adopt Resolution 15-2008-09, “Authorize Bid Process for the Procurement of Transportation Services”.

The Board was polled and the motion passed unanimously.

2. Ratify Fee Proposal Between the District and *murakami*/Nelson to Prepare Documentation and Facilitate the Application for State Proposition 1D Funding for the Student Center at Piedmont High School

The project may be eligible for funding based on the building’s hazardous structural system and its location in a high seismic region. Ron Gallagher & Associates Engineers will assist by conducting a structural analysis and providing a report to the Division of the State Architect (DSA).

Resident George Childs wanted to clarify that the State Proposition 1D Funding would be used to supplant Measure E funds for the building rather than supplement. It would be freeing up Measure E dollars on the High School project.

It was moved by Vice President Gadbois, seconded by Board Member Raushenbush, and passed unanimously to ratify the fee proposal between the District and *murakami/Nelson* to Prepare Documentation and Facilitate the Application for State Proposition 1D Funding for the Student Center at Piedmont High School. The effective date is February 4, 2009 through June 30, 2009, at a total cost not to exceed \$20,000.

3. Accept Recommendation for Development of Piedmont High School Seismic Mitigation Project and Authorize the Superintendent or Designee to Begin Negotiations for a Preliminary Services Agreement

The Measure E Seismic Mitigation Program includes significant renovation work at Piedmont High School at the Student Center and the Quad/Library Building. The estimated construction value of the work is \$4,899,500, and the work is scheduled to begin in June 2009 and be completed in August 2010. A total of ten Statements of Qualifications were received. A screening committee reviewed the material, and an interview panel was unanimous in recommending Overaa Construction Company, with West Coast Builders as an alternate.

There was no one from the public requesting to speak.

It was moved by Board Member Raushenbush, seconded by Board Member Jones, and passed unanimously to accept the recommendation of the Superintendent from the interview committee for the selection of a developer, and to authorize the Superintendent or designee to enter into negotiations for a Preliminary Services Agreement with Overaa Construction Company, effective March 12, 2009 through June 30, 2010 for an amount not to exceed \$49,500; and that should the Superintendent be unable to negotiate a mutually acceptable Preliminary Services Agreement with Overaa Construction Company, the Superintendent or designee shall initiate negotiations with West Coast Builders.

Approve Formation of a Parcel Tax Citizens Advisory Committee and Appoint Board Members to Develop Composition and Appointment Procedures

On June 2, 2009, Piedmont citizens will vote on two school parcel tax measures:

- Renewal of the existing school parcel taxes, Measures B and C combined, where the average sized parcel will pay \$2,051 per year
- Approval of an interim emergency parcel tax to help offset the loss of State funds, where the average sized parcel will pay \$249 per year.

The Board is being requested to approve the formation of a Parcel Tax Citizens Advisory Committee and to appoint two Board members to develop the composition and appointment procedures. The committee will review parcel tax expenditures and prepare a written annual report to the Board that would include recommendations as to the amount that should be levied for the subsequent year. The recommendation for composition and appointment procedures will be brought forth at the regular meeting of Wednesday, April 29, 2009/

Because of Board Member Jones' experience serving as the City of Piedmont Municipal Tax Co-Chair, and Board Member Raushenbush who has served as Chair of the Measure E Bond Program Citizens Oversight Committee, Board President Monach recommended both

of them for appointment to this committee. Both Board members consented to serve.

Discussion was held on whether or not the Parcel Tax Citizens Advisory Committee would be separate from the Budget Advisory Committee.

It was moved by Vice President Gadbois, seconded by Board Member Tolles, and passed unanimously to approve the formation of a Parcel Tax Citizens Advisory Committee and to appoint Board Members Jones and Raushenbush to develop the composition and appointment procedures to report to the Board at the meeting of April 7, 2009, with final recommendations to be reported and approved on April 29, 2009.

4. Approve Consultant Services Agreement Between the District and Julia Moll to Provide Services as a Communications Consultant Under Direction of the Superintendent

The "emergency coordinator/impact bargaining consultant" portion of the agenda was in error. A future consultant services contract will be coming to the Board for Consultant Carol King for these services.

Ms. Moll would work with PUSD Bond Program Manager David Burke to gather information and put together communications relating to Bond Measure E for the public, and keeping up to date information for the bond web site.

Board Member Raushenbush stated the District should be prudent about incurring these expenses. He hopes the communications are for something that seems to require further communications rather than providing missives to the public.

Resident George Childs felt this position could be used to help the Citizens Oversight Committee but the Board agreed that Ms. Moll's purpose would not be to support the Citizens' Oversight Committee in the way of communications.

It was moved by Vice President Gadbois and seconded by Board Member Jones to approve the consultant services agreement between the District and Julia Moll to provide services as a PUSD Bond Measure communications consultant under direction of the Superintendent, to be effective March 12, 2009 through June 30, 2009, at a total cost not to exceed \$24,000.

Approve Havens *SchoolMates* Facility Use Agreement Between the District and the City of Piedmont; Approve Quitclaim Deed for Property Belonging to the City of Piedmont to the District; and Accept \$710,000 from the City for Cost of *SchoolMates*, New Havens Building

This item had been tabled from the February 11, 2009 Board meeting in order for the Superintendent and City Administrator to further refine the contract language. The quit claim deed requires immediate approval in order for the Havens rebuild project to proceed within the required timeline. Superintendent Hubbard explained that, in the past, the *SchoolMates* building at Havens was located on school district property and the District quitclaimed the property to the City. Now, with the District's lease/lease-back contract, the District must own the property in order for the contractor to build on the property, so the City is quitclaiming the property back to the District. The *SchoolMates* facility will be not only on site, but in the site. The interior design will reflect *SchoolMates*' needs. The City has donated \$1.2 million as a combination of funds for *SchoolMates* and the field at Havens. To clarify for the Citizens' Oversight Committee, the construction portion of *SchoolMates* is not being paid out of Bond Measure E funds.

District staff, the City Administrator, and the City Recreation Department will be looking at how use of the new playing field is handled. Hearings will be held which will involve user groups, neighbors, and the community at-large. The \$710,000 was arrived at based on square footage for SchoolMates in the plans.

The plans and specifications for the play field have already gone in to the Division of the State Architect (DSA) and use is a completely separate issue. The field belongs to the school district.

Superintendent Hubbard thanked Mark Delventhal of the City Recreation Department and City Administrator Geoff Grote for their involvement and cooperation.

It was moved by Board Member Raushenbush, seconded by Board Member Tolles, and passed unanimously to approve the Havens *SchoolMates* facility use agreement between the District and City; approve the quitclaim deed for property belonging to the City back to the school district; and to accept the amount of \$710,000 from the City for the cost of *SchoolMates* construction within the new Havens Elementary School building.

CORRESPONDENCE

President Monach announced that several emails had been received from community members regarding the use agreement of the new play field at Havens, which subject will be discussed at a future meeting. There were also some emails received regarding artificial turf.

BOARD REPORTS

President Monach will be attending a seminar put on by *Policy Analysis for California Education* (PACE) regarding Performance-Based Compensation for teachers.

CONSENT CALENDAR

It was moved by Board Member Jones, seconded by Board Member Raushenbush and passed unanimously to approve the Consent Calendar as presented:

- A. Adopt Regular Board Meeting Minutes of January 27, 2009
- B. Approve Monthly Financial Report of the District for February 2009
- C. Approve District Warrant List for Services Rendered Dated February 12, 2009
- D. Approve Certification of Athletic Coaches, 2008-09
Title 5 of the California Code of Regulations, Section 5594 requires that by April 1 of each year, each local governing school board shall certify to the State Board of Education that the provisions of Section 5593 have been met
- E. Approve Overnight Field Trip for the Piedmont High School Girls' Varsity Basketball Team to attend the North Coast Section quarter-final game against McKinleyville High School, February 27-March 1, 2009
- F. Approve Out-of-State Field Trip for Piedmont High School Journalism Class to attend a Journalism program at Columbia University, New York, from March 17-20, 2009
- G. Approve Overnight Field Trip for Piedmont High School Varsity Baseball Team to participate in Tournament, Ft. Bragg, California, April 16-18, 2009

- H. Approve Overnight Field Trip for Piedmont High School Debate Team to attend Mock Trial Competition, Riverside Convention Center, Riverside, California, March 19-22, 2009
- I. Approve Contracts Between the District and Millennium Environmental Consulting Services (MECA) for Hazardous Materials Abatement at:
 - Piedmont High School, \$13,687.50
 - Havens Elementary School \$15,157.50
 - Ellen Driscoll Theater \$ 9,187.50
 - \$38,032.50

Effective dates of contracts are March 12, 2009 through June 30, 2009.

FUTURE BOARD AGENDA ITEMS
(subject to change)

President Monach announced that on Saturday, March 14, 2009, the Board will meet in Closed Session with facilitator David Nettle regarding the Performance Evaluation of the Superintendent and Board Self-Evaluation. She also announced that the next regular Board meeting will be held on Wednesday, March 25, 2009.

- Conduct Public Hearing and Recommendation to Determine the Parcel Tax Levy and Amount for Measures B and C for the 2009-10 Fiscal Year (**Tues Apr 7**)
- 2009 PEF Spring Grant Applications (Apr)
- Approve Application for Funding, 2009-10 English Language Acquisition Program (Apr)
- Notification of 2009 Arthur Hecht Volunteer of the Year Awardee (Apr)
- Approve Contract for GASB 45 Actuarial Services (Apr)
- Textbook Adoption(s) (Apr)
- K-12 Science Curriculum Presentation (May)
- Recognition of 2009 Arthur Hecht Volunteer of the Year (May)
- First Reading of Proposed Revised Board Policy 5145.3, (Student Version), and Board Policy 4030 (Employee Version), "Discrimination/Hazing/Harassment (Including Sexual Harassment), Intimidation, Bullying, Cyberbullying, to include a segment on "Hate Crimes" (Apr/May)
- Review of Board Bylaws (Section 9000) (TBD)
- Board Policy/Administrative Regulations 6163.4, "Acceptable Use of Technology" (TBD)

ADJOURNMENT

There being no further business, and with no objections by the Board, President Monach adjourned the meeting at 10:45 p.m.

JUNE MONACH, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education