

School Board News! Highlights from the March 23, 2011 Board Meeting

by June Monach, Board of Education Trustee

Summary:

- Progress on District-wide Efforts Reviewed:
 - Diversity-Respect Task Force Mission Statement
 - 2011 Instructional Calendar Survey Results
 - Seismic Safety Bond Program Citizens' Oversight Committee Report Reviewed
- Board Actions Taken:
 - Board Voted 4-0 to Use PEF Endowment Funds to Preserve Core Educational Program
 - Board Voted 4-0 to Adopt Resolution to Initiate Sale of \$10 M in Qualified School Construction Bonds
- Board Direction Provided:
 - Board Requested Staff to Proceed with Beach Construction Based Upon the Cash Flow Analysis Presented by the Program Manager
- Other Business:
 - School Parcel Tax Levies
 - District Goals

Diversity-Respect Task Force Mission Statement – Assistant Superintendent David Roth introduced staff leaders Kim Jordan, Gina McKuen, Christine Petersen, and Megan Pillsbury, who presented to the Board a mission statement that was developed by the task force, a team of elementary, middle, high school, and district staff, and community members. The statement reads:

"We are committed to providing a safe, nurturing learning environment where every member of the Piedmont schools feels respected. We strive to increase everyone's sense of inclusion in our community. Our practice of safety and inclusion begins with our policy of prohibiting discrimination on the basis of age, disability, ethnicity, gender, language, marital status, nationality, race, religion, sexual orientation, and socioeconomic status. Our mission is to foster an educational program that equips our students to live in a diverse world, acknowledge and appreciate cultural differences, understand the significance of socioeconomic inequalities, recognize the biases and discrimination that exist, identify conflicts and options for resolution, and take action for positive change."

The governance team thanked the task force for their purposeful work. Dr. Roth thanked the staff for their work in building upon the District-wide social skills curriculum, professional growth, and school climate programs. Superintendent Constance Hubbard acknowledged the importance and challenges of having "courageous conversations" in order to support a culture of appreciating diversity and being respectful towards one another. Ms. Pillsbury explained that the task force "is a great place to talk about serious issues that take place in our schools." Board Member and Liaison June Monach suggested that the Board incorporate the mission statement in the District's Commitments and Goals.

Instructional Calendar Survey Results – Associated Parents' Clubs of Piedmont (APCP) President Mary Ireland thanked parents Laura Katter and Michael Lukaszewski (MHS Parents' Club President) for helping to develop and administer this year's survey. The 40% response rate this year was a third higher when compared to the 2007 survey. Approximately 75% of the respondents expressed satisfaction with the calendar and calendar process. Overall satisfaction was up 20% when compared to the last survey. A majority of parents preferred a shorter summer with more frequent one week vacations during the school year. Most parents were satisfied with this year's weekly Monday collaboration day and parent-teacher conferences. APCP recommends that a similar survey be administered every two years "to check in with parents and get their input on the process, the calendar, and 1-2 specific calendar related topics." The survey also serves as an educational tool to help parents understand the factors that go into development of the calendar. The Board thanked APCP for conducting the survey and preparing the summary report, which will be used for future calendar negotiations.

To review the 'Executive Summary of Survey Results' go to:

<http://www.piedmont.k12.ca.us/board-of-education/meeting-materials> and click on Board Meeting of 3-23-11

Designation for Piedmont Educational Foundation (PEF) Endowment Fund Distribution – Each year proceeds from the PEF's permanent Endowment Fund are approved for distribution by the Foundation Board after the Board of Education identifies how the funds will be used by the District. The purpose of the Endowment Fund is to insure the sustained excellence of our public school system. The proceeds are intended to support the changing needs and priorities of the District. Based on discussions held with the PEF Board, Superintendent Hubbard recommended that the \$168,769 distribution be used to help maintain as much of the core K-12 educational program as possible, given the severity of the state economic crisis and its impact on the District's budget. The Board approved the designation with a 4-0 vote.

See pp. 9-10: <http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/032311packet.pdf>

Seismic Safety Bond Program Citizens' Oversight Committee – The Board reviewed a report from the committee. After a detailed review of summaries and reports of all expenditures made between July 1, 2009 and June 30, 2010, the committee determined that the use of bond funds as reported is appropriate. The total budget for the construction program is \$69,156,161, including bond funding (up to the maximum authorization of \$56 million), State matching funds for facility modernization (estimated to be approximately \$15 million), and City funds (\$1.2 million). The following projects are complete: PHS, PMS, Maintenance Facility, Ellen Driscoll, and Havens. Wildwood is scheduled to be completed by August 1, 2011. By law, the District also is required to have an annual performance audit and financial audit by an independent auditor. The audit findings conclude that "consistent with prior year findings, the financial statements are fairly presented and free of material misstatement." See pp. 1-8 for the report:

<http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/032311packet.pdf>

Beach Construction Project – The Board weighed the financial risks of proceeding on the Beach project, given the budget and cash flow analysis, uncertainties around when State funding will be received, bridge financing options, and the estimated costs of postponement. The Steering Committee, comprised of the Project Management Team, Superintendent and Assistant Superintendent of Business Services, Technical Advisory Committee Chair, School Board Liaisons, and Citizens' Oversight Committee Observers, concluded that the risks of delay outweigh the risks of going forward. The Board authorized staff to:

- Continue planning with Beach staff and community to relocate students in grades 1 through 5 for the 2011-12 school year to the Emeryville site. The same bus transportation service will be used, and Beach Schoolmates and Kindergarteners will be housed together on the Havens campus.
- Secure proposals from qualified construction firms including proposed GMPs based on DSA approved plans and up to \$3 million in short-term financing options.
- Develop financing options that align with the various stages of construction and cash flow needs, including contingency plans for the delay of receiving State funds.
- Authorize staff to enter into negotiations with a developer at the April 27, 2011 or May 11, 2011 Board meeting, pending information received on construction project costs and financing options presented on April 27.

See pp. 19-23: <http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/032311packet.pdf>

The Board weighed the risks of delay with the risks of going forward on the Beach project based upon:

- **Next Bond Issuance to Continue with Projects** – The District's financial advisor, Vice President Ruth Alahydoian of Kelling Northcross & Nobriga, reviewed the bond issuance documents for the sale of \$10 million in QSCBs, minimal interest cost bonds that the District applied for and secured through the Federal Recovery Act Program. When compared to traditional bond issuances, Piedmont taxpayers will realize more than \$40 million in long-term interest payment savings. The Board adopted a resolution to issue these special bonds.

Preliminary Notice: http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/bond_prelim_notice_032311.pdf

Official Notice of Sale: http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/bond_sale_notice_032311.pdf

Board Resolution: http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/bond_res_032311.pdf

- **Project Budgets and Cash Flow Analysis** – Program Manager David Burke provided an update on work completed to-date, expenditures by project, and anticipated cash flow needs in order to complete Wildwood and Beach, bringing the entire Seismic Safety Construction Program to completion. Budgets for the Maintenance, PMS, Havens, Ellen Driscoll, and PHS construction are finalized. Remaining budgets include: Wildwood, Beach, Interim Housing, and the District-wide budget. The total program budget remains unchanged at \$69.1 million. With \$10,489,990 due from local and Qualified School Construction Bond sales, the District estimates at this time \$12,712,281 in committed expenditures and \$3,743,020 in project/program contingencies remaining. Based on current information, the Project Management Team estimates \$3.7 M - \$4.2M will be needed to complete the Beach project. See pp. 11-18: <http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/032311packet.pdf>
- **Systems and Contracts In Place to Complete Beach** – Superintendent Hubbard reported that a multi-year contract has been secured with Emery Unified for continued use of the Emeryville school site. In addition, bus transportation planning with the Lamorinda Bus Transportation Authority continues. Board Member Monach noted the strong track record of the current project management team in bringing projects completed to-date on time and on budget and the benefits of maintaining the team’s momentum. VP Rick Raushenbush reminded the Board that the one-year cost of delaying the \$9.7 million construction project is estimated to be \$420,000. The total program budget remains unchanged with adequate project and program contingencies, according to Program Manager David Burke.
- **Uncertainties Around Sale of State Bonds** – Board members discussed the likelihood of the State never selling bonds from the remaining voter approved Prop 1D State bond authorization for school construction. Everyone agreed that it was a question of when not if bonds would be sold. The District’s State matching fund consultants predict the State will sell bonds no later than spring of 2012. The District’s financial advisor, KNN, understands that bond issuances will resume sometime after the State budget is adopted.
- **Public Input** – Beach parent Laura Katter conveyed discussions from a recent Beach Parent Organization meeting saying that the Beach community is excited to move forward and looks to the Board and staff to “do whatever it takes to get the work done.” Parent Jon Elliott complimented the governance team on the presentation and analysis being conducted in order to provide direction on whether to proceed. He articulated support for the staff recommendation. Beach parent alum and APT President Harlan Mohagen supported the recommendation suggesting that “the momentum is there” and not to disrupt the rhythm to move the final project forward.

Board President Roy Tolles concluded by saying, “Where there is will, there is a way – and we are committed to getting the job done.”

Other Business:

- **School Parcel Tax Levies:** The Board held a public hearing on the proposed levy of the school Parcel Tax Measures B and E to be levied in 2011-12, and reviewed a supplemental memo from the Citizens’ Advisory Committee on the Parcel Tax Measures B and E reaffirming its recommendations to the Board presented in February. Individual community member input was provided by Mr. George Childs asking that the Board exercise fiscal prudence to support those taxpayers living on fixed incomes with diminishing support from the government.
- **District Goals:** The Board began its annual goal-setting discussions for the 2011-12 school year. Superintendent Hubbard suggested that the governance team make the annual goals more distinct from the multi-year actions necessary to address the goals. The Board agreed that the major goals are not likely to change much, save the incorporation of the Diversity-Respect Task Force Mission Statement. Assistant Superintendent Roth and Board Member Monach will work on developing a proposed draft for review at the next Board meeting. The Board asked staff to present a progress report on this year’s Action Plan which will inform the goal-setting process for next year.