

PIEDMONT UNIFIED SCHOOL DISTRICT

Council Chambers, City Hall

120 Vista Avenue

Piedmont, California 94611

MINUTES OF

Regular Meeting of the Governing Board

May 8, 2013

CALL TO ORDER	Board President Richard Raushenbush called the meeting of the Board of Education to order at 6:00 p.m.
ESTABLISHMENT OF QUORUM	President Richard Raushenbush, Vice President Andrea Swenson and Board Members Sarah Pearson, Ray Gadbois and Roy Tolles were present.
Adjourn to Closed Session	The Board adjourned to Closed Session at 6:01 p.m. to discuss: Public Employee Appointment/Employment: <ul style="list-style-type: none">• Anticipated Appointment of Principal, Piedmont Middle School• The Board may interview candidates under consideration for appointment to Principal for Piedmont High School for the 2013-14 School Year
Others Present in Closed Session	Liability Claim Against Piedmont Unified School District PUSD Claim #01-2012-13 (Government Code Section 54956.9(c) and 910 Superintendent Hubbard Michael Brady, Assistant Superintendent, Business Services Randall Booker, Assistant Superintendent, Educational Services
Reconvene to Regular Session	President Raushenbush 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 Session	Superintendent Constance Hubbard Michael Brady, Assistant Superintendent, Business Services Randall Booker, Assistant Superintendent, Educational Services
Report of Action Taken in Closed Session	The Board voted unanimously to deny the liability claim, PUSD Claim #01—2012-13. The Board voted unanimously to approve the appointment of Ryan Fletcher as Principal of Piedmont Middle School.
Agenda Adjustments	None
COMMUNICATIONS/ANNOUNCEMENTS	
Association of Piedmont Teachers (APT)	APT President Harlan Mohagen announced that today is the California Day of the Teacher. Certificated staff received a message from President Obama appreciating educators. She is pleased to see Bill Drum being honored today; he was always a strong supporter of teachers.
CSEA	None
Parent Clubs	None
Student Representative to Board	Elise Lasky reported that the Men's Tennis team has made it to the second round of NCS and will be playing on Thursday. Men's and Women's Lacrosse games will be held this Friday, and the league

championships for swimming are Saturday.

Day on the Green is approaching quickly, and takes place on May 24th. Today two Olympic gold medalist water polo players spoke to a group of middle and high school girls about staying active throughout their lives. It was super fun!

PHS students are in the middle of AP testing through the end of next week.

This past weekend dance classes at school performed a modern version of *Beauty and the Beast* as well as some student choreography. And finally the weekend of May 17th the advanced acting class will stage their final performance for the year.

None.

Superintendent Announcements

PRESENTATION

Art Hecht Award Recipients

Superintendent Hubbard recognized the recipients of the Art Hecht Volunteer of the Year Award, which is presented each year to honor one of the volunteers who work tirelessly behind the scenes on behalf of students. The recipient chooses a piece of artwork from the PHS AP Art Show, and the student artists are recognized this evening. One of this year's recipients is Mary Ireland, who has contributed her considerable skills on numerous committees and projects for the Piedmont schools. She chose a print created by student artist Amber Ellis. The family of Bill Drum accepted an award on his behalf. Grier Graff spoke of Bill's work on behalf of the students of Piedmont and Oakland and his calm, thoughtful and constructive contributions to the Bond Steering Committee. Bill Drum's family picked Xinyue Wang's landscape of a Chinese city, which reminded them of a family trip to China.

REVIEW AND ACTION ITEMS

A. Conduct Public Hearing Adopt Proposed New Textbooks for World Language

Assistant Superintendent Booker conducted a public hearing on the new textbooks for World Language proposed at the March 27th Board meeting. A public review period of the proposed textbook adoptions was conducted from March 27th through May 8th. Each textbook was on display at the District Office, and the community was invited to submit written comments. The only comment received was in favor of the new Mandarin text. The Board was requested to adopt the proposed Spanish, French and Mandarin textbooks at this meeting.

There was no public comment.

It was moved by Board Member Pearson, seconded by Board Member Tolles and unanimously approved to adopt the proposed new textbooks for World Languages.

Approve Repayment Options for Bond Anticipation Notes (BANs) and Provide Staff with Direction for the Use of Any Modernization Funds to Pay Down Debt

Superintendent Hubbard explained that the Bond Appreciation Notes (BANs) held by the District must be converted to bonds by 2015 and now is the earliest opportunity to do this. It is better to convert them now while interest rates are low. The first question the Board must address this evening is if whether to set aside any modernization funds to pay down interest on the bonds. The pay down of any debt service must be decided prior to the issuance of the bonds so the total amount to be financed can be determined.

The Board will consider options for the conversion of BANs to bonds and provide direction to staff for next steps.

Assistant Superintendent Brady noted that we are talking about the \$56M approved by votes under the Seismic Safety Bond Program.

The District structured the debt very carefully, working with KNN on how to secure the money while remaining compliant with the law. The money was borrowed in "pieces" as it was needed. This evening Ruth Alahydoian of Kelling, Northcross and Nobriga (KNN) will be talking about one portion of the \$56M - the \$12M in BANs.

Ruth Alahydoian explained that the BANs have a five-year term and must be repaid in 2015, but can be repaid now. She presented a chart showing the bonds issued and their maturity and repayment ratio (the ratio of debt service vs. principal borrowed). Without counting the BANs, the repayment ratio is 1.82:1, which is good; by comparison the repayment ratio for a 30-year mortgage is 2.0:1. Bond repayment needs to be payable based on the tax rate and cannot exceed \$60 per \$100,000 A.V. (assessed property value).

The State Senate is reviewing Assembly Bill 182, which has passed the House. This legislation was written in response to some school bonds that had extreme repayment ratios and repayment periods as long as 40 years. The key provisions of AB 182 are to limit bond repayment to 25 years and maximum interest rates to 8%, to limit the ratio of debt service to principle for each series of bonds to 4:1, and to make CABs (Capital Interest Bonds) callable in 10 years. If it passes the Senate, AB 182 will not go into effect until December, 2013, and will provide waivers for districts such as Piedmont, which issued CABs under a different set of circumstances.

Ms. Alahydoian reviewed the options for the district. One option is to issue CABs at current interest rates. Interest on these CABs is paid as older bonds are paid off; the sooner a CAB is paid off, the less interest is owed. Although they would mature in 25 to 40 years, chances are they would be refinanced. At current rates, the repayment ratio under this option would be 5.6:1.

Option 2 is to use approximately \$1.7M of the modernization funds on hand to cover accrued interest and reduce the overall cost of the CABs. This would result in a repayment ratio of 4.04:1.

Option 3 is more complicated, though it could be a very viable alternative: to restructure already issued bonds (Series A & B) along with the BAN replacement (Series E). This is not a perfect scenario as the repayment period is more than 25 years and the District would have to reissue some CABS, but it would reduce the repayment ratio to 4.26:1 and might help the District over the long term. This only makes sense if it would result in lower interest rates for Series A & B bonds.

Ms. Alahydoian does not anticipate any issue exceeding debt capacity, which is 2.5% of total assessed value. The District is well within its debt capacity. As debt is paid down, capacity grows even if assessed value does not. The assumption is also that property values will grow over time at a 5% average, due to approximately 2% in annual increases and additional property being taxed at a higher rate as it changes hands through home sales.

Resolutions will be brought back to the Board at the next meeting (or subsequent meeting) to approve issuance of Series E Bonds for replacement of the BANs and to approve refunding (for the purpose of restructuring) of Series A & B bonds.

Board Member Gadbois noted that if some of the modernization money is used to pay down the interest, it will not result in a substantial reduction to taxpayers for 20-25 years and will reduce the District's ability to perform modernization projects currently under

consideration.

There was no public comment.

Board Member Gadbois summed up the opinions of Board members on next steps. The District should convert the BANs to bonds as quickly as possible since interest rates are likely to rise and in the event interest rates go down, they can be refinanced. In regard to Option 2 (paying down the debt with the \$1.7M), taxpayers would see no benefit for a long time because of the bond structure, we are unlikely to get more modernization money from the State and we have modernization needs that will benefit students and the community now and in the long term; therefore it makes sense to use the \$1.7M on modernization projects. As far as refinancing Series A & B, we should look into this if it will save taxpayers money.

Superintendent Hubbard will ask Ruth Alahydoian to prepare two resolutions: one for sale of the BANs as soon as possible and one to structure the sale to include refinancing of Series A and B bonds. The sale will not include any use of the modernization funds. At the next Board meeting, a number of Tier 1 projects with cost estimates will be brought back for Board consideration.

B. Conduct Public Hearing for 2013-14 Contract Openers Between the District and the Association of Piedmont Teachers (APT)

Tonight is the second and final public hearing of articles to be reopened for negotiation between the District and the Association of Piedmont Teachers (APT). "Sunshining" provides an opportunity for the public to comment on the items to be considered. Articles to be opened for negotiations are benefits, retirement/disability benefits, salaries, and employee evaluations. APT has identified class size as an additional article to be reopened; the District is not proposing any additional articles. The District has received no written comments on the identified articles. Approval of the articles by the Board signals the start of the negotiations process, which is confidential.

There was no public comment.

A motion was made by Mr. Tolles, seconded by Mr. Gadbois and unanimously approved to open Article XVI- Benefits, Article XV – Retirement/Disability Benefits, Article XVII – Salaries, Article XIX – Employee Evaluation, and Article XXI – Class Size for negotiation between APT and the District.

Persons wishing to speak to any items not on the agenda

Molly Niemuth, a PHS Senior, learned in her Psychology class that people, including many PHS students, are "stuck in the mindset" that they have to be successful to be happy. She feels students would be happier if they focusing on being happy. When students are applying to colleges and taking finals, visits to the Wellness Center peak. She has found the speakers at the high school this year to be very beneficial and want to know what the Board thinks.

President Raushenbush explained that the Board cannot speak to issues not on the agenda, and that one of the goals of the Action Plan for 2013-14 will focus on addressing student stress.

INFORMATION/ANNOUNCEMENTS

President Raushenbush announced that recognition of student leaders will take place on Tuesday, May 21st for PHS and at a separate lunchtime celebration at PMS.

Superintendent Hubbard announced that PUSD will be holding its Employee Appreciation Week the third week of May. The District honors all teachers and classified employees at the same time in recognition of the hard work and contributions made by all.

CORRESPONDENCE

Vice President Swenson received three emails about the staggered day in second grade, an email from a group of parents about the

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tech plan, and an email from a California district about doing away with AP classes in response to student stress. President Raushenbush received an email about tech issues and another email about usage of Witter Field and traffic concerns.

Ms. Swenson attended the final CAC meeting, several District technology meetings, the Beach Parents Club and today's assembly for high school and middle schools girls.

Ms. Pearson attended the Earth Day Celebration at the Beach Edible Garden, the Piedmont Appreciating Diversity event "Out in America," the California Living History Day at Wildwood, the PHS Art Show, a Rebuilding Together Oakland meeting, a potluck for Connect, PMS Diversity Day, the PHS Parent Club, Tri-School Site Council and the bird calling contest.

Mr. Gadbois attended the GATE Advisory Committee Meeting, where they discussed how to evaluate the GATE program. He also attended Boosters Night for students who want to play college sports and the Tri-School Site Council, where they discussed staggered reading.

Mr. Tolles attended the Steering Committee and notes that RFPs for bids on technology work have gone out and are due back on May 29th. There will be a report in early June.

Mr. Raushenbush attended the PMS Parent Club, a District Technology meeting, a PEF Meeting, the Steering Committee meeting, PMS Principal interviews, and the Piedmont-East Bay Children's Choir Concert in Kezar Pavilion.

CONSENT CALENDAR

It was moved by Board Member Tolles, seconded by Vice President Swenson and unanimously approved to accept the consent calendar as presented:

- A. Adopt Regular Board Meeting Minutes of of March 27, 2013 and April 10, 2013.
- B. Approve Monthly Financial Report of the District for April, 2013
- C. Approve Personnel Action Report
- D. * Approve Schedule of Regular Board of Education Meetings for 2013-14
- E. Approve Charter for the School Support Tax Advisory Subcommittee (Measure A)
- F. Approve Extension of Superintendent's Employment Agreement through June 30, 2015. (Contract available upon request from the Office of the Superintendent)
- G. Approve one Individual Service Agreement with Behavioral Intervention Associates, (BIA), to provide non public services for one student effective April 11, 2013, through June 30, 2013, at a total cost not to exceed \$7,512.00. Funding: Special Education
- H. Approve one Master Contract and two Individual Service Agreements with Starfish Therapies, Inc., to provide non public services for district ESY, effective June 17, 2013, through July 12, 2013, at a total cost not to exceed \$14,500.00. Funding: Special Education
- I. Approve one Master Contract and two Individual Service Agreements with Speech Pathology Group, to provide non public services for district ESY, effective June 17, 2013, through July 12, 2013, at a total cost not exceed \$9,690.00. Funding: Special Education

- J. Approve on Independent Contractor Agreement with Jeanine Wilkensen, to provide nonpublic services for one student, effective April 14, 2013, through April 19, 2013, at a total cost not to exceed \$980.00. Funding: Special Education
- K. Approve one Independent Contractor Agreement with Jennifer Jones-Horton, to provide non public services for district ESY, effective June 17, 2013, through July 12, 2013, at a total cost not to exceed \$ 5,991.68. Funding: Special Education
- L. Approve one Independent Contractor Agreement with Ashley Stevanovic, to provide non public services for district ESY, effective June 17, 2013, through July 12, 2013, at a total cost not to exceed \$4,155.52. Funding: Special Education
- M. Approve reimbursement to parents of one student, for non public ESY services, effective June 17, 2013, through July 12, 2013, at a total cost not to exceed \$1,147.50. Funding: Special Education
- N. Approve reimbursement to parents of one student, for non public ESY services, effective June 17, 2013, through July 12, 2013, at a total cost not to exceed \$785.00. Funding: Special Education

FUTURE BOARD AGENDA ITEMS

Additional agenda items will include resolutions regarding bond sales, authorization of Tier 1 projects, authorization of the flexibility use of funds, and appointment of the PHS Principal.

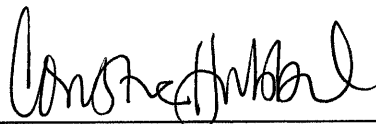
- 2012-13 Action Plan Update (TBD)
- Accept Closeout of Seismic Safety Program Projects Havens School, PHS Quad/Library and Student Center Buildings, Wildwood and Beach Schools, Ellen Driscoll Playhouse (TBD)
- Honor District Retirees (June 12)
- Adopt Budget (June 26)
- GASB 45 Actuarial Study (June)
- Facilities Use (TBD)
- Calendar Options for 2014-15 (TBD)

Adjournment

There being no further business, and with no objection by the Board, President Raushenbush adjourned the meeting at 9:02 p.m.



RICHARD RAUSHENBUSH, Board President
Piedmont Unified School District
Board of Education



CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education