

**SANTEE SCHOOL DISTRICT
REGULAR MEETING
OF THE BOARD OF EDUCATION**

February 16, 2010
MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

CLOSED SESSION – 6:30 p.m.

The Board met in closed session to discuss the following:

Conference with Labor Negotiator (Govt. Code § 54956.8)

Purpose: Negotiations

Agency Negotiator: Minnie Malin, Assistant Superintendent, Human Resources

Employee Organizations: Santee Teachers Association

Classified School Employees Association

A. RECONVENE TO PUBLIC SESSION/OPENING PROCEDURES

The Board convened to public session at 7:11 p.m.

1. Call to Order and Welcome

President Burns called the meeting to order at 7:11 p.m. and read the District Mission Statement.

Members present:

Dustin Burns, President
Barbara Ryan, Vice President
Allen Carlisle, Clerk
Dan Bartholomew, Member
Dianne ElHajj, Member

Administration present:

Dr. Patrick Shaw, Superintendent and Secretary to the Board
Karl Christensen, Assistant Superintendent, Business Services
Minnie Malin, Assistant Superintendent, Human Resources
Kristin Baranski, Director, Educational Services
Linda Vail, Executive Assistant and Recording Secretary

2. President Burns invited Mr. Gabriel Piña, a Chet F. Harritt parent, to lead the members, staff and audience in the Pledge of Allegiance.

3. Approval of Agenda

President Burns requested the agenda be revised to consider Discussion Items E.3.1, E.2.2., E.2.1., first and then return to E.1.1. to allow several of the presenters to report earlier in the meeting. It was moved and seconded to approve the agenda.

Motion: El-Hajj Second: Bartholomew Vote: 5-0

B. REPORTS AND PRESENTATIONS

1. **Superintendent's Report**

- 1.1. Developer Fees Collection Report
- 1.2. Use of Facilities Report
- 1.3. Enrollment Report
- 1.4. Spring Open Houses and School Events
- 1.5. Schedule of Upcoming Events

2. **Report from the Advisory Council on Instruction**

Kristin Baranski, Director of Educational Services, reported that Advisory Council on Instruction (ACI) has met monthly since November and reviewed budgetary items as they pertain to curriculum and instruction. ACI membership prioritized many budget reduction considerations by individually scoring them. A summary of the scores was presented. Items scored 2.0 - 2.8 are items the ACI believes the Board should consider for reduction. Items scored at 1.6 – 1.9 are items ACI believes the Board may wish to consider for reduction or modification, and items scored 1.0-1.5 should be maintained for instructional quality. Board members expressed their appreciation for the work of the ACI and the time that parents and staff provided for the process. ACI parent member, Mr. Bill Dudley, said it was a very interesting experience and parents valued having the opportunity to provide input.

3. **Report from the Budget Advisory Committee**

Karl Christensen and parent member Mr. Mike Mitchell reported the Budget Advisory Committee (BAC) met four times since November working in a collaborative environment to provide the Board with input to consider as they make budgetary

decisions. The BAC presented a list of considerations for reducing expenditures and increasing revenues and generated weighted scores for each item, also expanding their role to review and provide weighted scores for the list of budget reduction considerations presented by administration. Members have no reservations about items weighted greater than 2.5, have some reservation on items weighted 2.0 to 2.49, and considerable reservation on items weighted less than 2.0.

Member Bartholomew asked why the savings range was so broad in Item #23. Mr. Christensen said he attempted to show a range of possible savings because it could vary from reducing the lead custodian's hours at the District Office to implementing staffing ratios. Member Bartholomew ask what the savings in electricity could be if sites were shut down for a month in the summer as suggested in item #21. Mr. Christensen said more analysis needs to be done to see what could be shut down because some programs continue through the summer.

Board members expressed their appreciation to the staff and parents who served on the BAC committee, especially during this difficult time.

D. PUBLIC COMMUNICATION

President Burns invited members of the audience to address the Board about any item not on the agenda. There were no public comments.

E. CONSENT ITEMS

Items listed under Consent are considered to be routine and are all acted on by the Board with one single motion. President El-Hajj invited comments from the public on any item listed under Consent.

- 1.1. **Approval of Minutes**
- 2.1. **Approval/Ratification of Travel Requests**
- 2.2. **Approval/Ratification of Expenditure Warrants**
- 2.3. **Approval/Ratification of Purchase Orders**
- 2.4. **Approval/Ratification of Revolving Cash Report**
- 3.1. **Carlton Hills School Sewer Collapse Emergency Repair**
- 3.2. **Chet F Harritt School Storm Water Damage**
- 4.1. **Approval to Submit Elementary and Secondary School Counseling Grant Application**
- 5.1. **Personnel, Regular**

It was moved and seconded to approve Consent Items.

Motion: *EL-Hajj* **Second:** *Ryan* **Vote:** *5-0*

G. DISCUSSION AND/OR ACTION ITEMS

President Burns said comments from the public on any item listed under Discussion and/or Action would be considered at the time of the item.

1.1. Recommendations to Balance the District Budget for 2010-11 and 2011-12

Dr. Shaw reviewed the budgetary issues being caused by the decisions at the State level regarding funding. The reductions needed for the next two years total \$4,000,000. A Board workshop was held on January 26, 2010 at which time the Board directed administration to return with budget reduction recommendations. Administration presented to the Board for consideration \$3.8M in reductions, the majority being ongoing expenses. The District is negotiating one time salary concessions to help meet the goal.

President Burns called up those who had submitted Request to Speak cards:

1. Patricia Hocking-classified employee: Ms. Hocking is a school bus driver and wanted the Board to see the face of a classified employee as they make decisions.
2. Mary Sodano, a retired classified employee: Ms. Sodano said classified employees need their jobs and the kids need them.
3. Brad Hunt, classified employee: Mr. Hunt said classified employees are the lowest paid employees in the District. A 1% pay cut has a greater impact on classified employees and the classified employees on the list are looking at large decreases in pay.
4. Nancy D'Adamo, classified employee: Ms. D'Adamo shared the behind the scenes role she has at the technology help desk. She asked the Board to consider keeping the technology assistant position to continue to provide services to staff and teachers.
5. Peter McFayden, classified employee: Mr. McFayden shared that he loves his job and asked the Board to consider not reducing his position.

President Burns thanked the speakers for addressing the Board.

Dr. Shaw presented the additional items added to the list of recommended reductions since the January 26th Board workshop.

Member Carlisle asked about categorical flexibility and if Administration has confirmed flexibility through 2012-13. Mr. Christensen confirmed they are flexible through 2012-13 and beyond that, no one knows. There is speculation the flexibility will be extended but no action has been taken at this time. Mr. Christensen shared that even with these reductions, there is a structural budget gap of \$3M in 2011-12 and the one-time reductions will not be able to be repeated.

Member Carlisle asked if funding from the State Allocation Board could be used to pay off the COPs, eliminating the debt service on our general fund. Mr. Christensen said the original CIP budget contemplated COPS with no contingency to pay off those funds. There would need to be discussion with the Board on those options. However, although there was a brief hope about funding coming soon, it has been discovered that the funding being allocation is only about 10% of the total funding due.

Member Carlisle asked if administration has analyzed the reduced percentage of overall salaries that would be realized with the reduction in hours for classified employees. He asked if there were four classified positions recommended to be eliminated. Mr. Christensen said yes, there are four positions on the list and Administration is still negotiating a retirement incentive which would minimize the impact on classified employees.

Member El-Hajj suggested the Board address the issues not tied to positions first. Member El-Hajj moved to approve items 1 through 9, operational items.

1. Use expected Redevelopment Agency Funds for portion of COPs payment
2. Use last Developer Fee payment from Lennar Homes for Sky Ranch project received Jan 2010 for portion of COPs payment
3. Use last Developer Fee payment from Standard Pacific for Riverwalk project to be received May 2010 for portion of COPs payment
4. Eliminate least necessary cell phones, reduce pooled minutes, reduce aircards to 4 and provide for checkout, recognize E-rate discounts not previously accounted for.
5. Reduce custodial supplies cost by: 1) using paper towels bought from Consortium, 2) changing TP supplier, 3) closely monitoring purchases for out of range conditions. Add \$5,000 per year for sanitizer.
6. Explore methods to reduce electricity consumption during peak pricing periods
7. Reduce number of vacuums from 104 to 55 and eliminate repairs in favor of replacement. Cost for current service = \$12,500 per year. Budget replacement of 10 per year = \$2,800.
8. Increase Publications pricing by 100% (\$.01 to \$.02 for internal, \$.03 to \$.06 for external) to recoup actual cost of operations
9. Take 2 Thankgiving week days as non-student days. Additional expected ADA.

Motion: El-Hajj Second: Bartholomew Vote: 5-0

Member El-Hajj moved to approve items 10 and 11.

10. Reorganize and consolidate Ed Services and Human Resources departments:
Dissolve the following positions:
 - 1) Asst Supt Ed Services = \$127,582
 - 2) Director 1 - Curriculum, Instruction & Assessment = \$127,855
 - 3) Director, Instructional Technology = \$117,934
 - 4) Maintain .50 FTE Pupil Services Coordinator with shift of .50 VP to APE Teacher
11. Reassign current Director I - Curriculum, Instruction & Assessment to Principal, Carlton Oaks - No increase in cost

Motion: El-Hajj Second: Carlisle Vote: 5-0

Member El-Hajj moved to approve items 13 and 15.

13. Dissolve 1.0 FTE Telecommunications Coordinator (net of retirement incentive)
 14. Dissolve 1.0 FTE Technology Assistant position (Help Desk)
- Motion: El-Hajj Second: Bartholomew Vote: 5-0**

Member El-Hajj moved to approve items 21, 22, 23, 25, 26, 27, and 28.

21. Dissolve 1.0 FTE with retirement and .50 FTE VP with restructure from item #11 for a total of 1.5 FTE VP reduction.
22. Savings for APE Teacher retirement from item #11
23. Dissolve 0.50 FTE Psychologist with retirement and replace 1.0 FTE retiring Psychologist with new hire. Implement centralized Psychologist services.
25. Replace 7.0 FTE retiring Special Education teachers (SDC & RSP) with new hires

26. Reduce 12 hrs/day of Instructional Aides assigned to RSP to conform to 80% Ed Code regulation (currently 9 hrs potentially through attrition). Redesign Aide RSP assistance service for 2010-11.
27. Reduce hrs/day for the following positions to adhere to 2004-05 Staffing Formulas:
1) Health Clerk 2 hrs/day: BAC = 2.17, ACI = 2.30
2) Student Attendance Clerk 1.5 hrs/day: BAC = 2.00, ACI = 2.30
3) Instructional Media Tech 2 hrs/day: BAC = 2.50, ACI = 2.30
28. Reduce Campus Aides from 2.5 to 2 hrs/day district-wide to conform with 2004-05 staffing formula
Motion: El-Hajj Second: Bartholomew Vote: 5-0

Member El-Hajj moved to approve items 31, 32, 33, 34, 35, 36, 37, 41, and 42.

31. Use additional Categorical Flexibility for SLIBG funds
32. Distribute Prop 20 Lottery funds to schools for purchasing Instructional Materials and reduce SLIBG allocations to increase Flexibility Transfer of SLIBG
33. Eliminate General Fund payment for supplies associated with Arts Attack program and seek other outside funding. Use additional Categorical Flexibility for Arts & Music Funds.
34. Eliminate Childcare services for Adult ESL program and use flexibility for CBET funds
35. Use Categorical Flexibility for PAR funds
36. Use additional Categorical Flexibility for Prof Development Block Grant and reduce Staff Development expenditures
37. Use additional Categorical Flexibility for Prof Development Block Grant and reduce Staff Development expenditures
41. Eliminate Transportation for Adult ESL
42. Redefine Spec Ed Extended Year Program for SDC students
Motion: El-Hajj Second: Ryan Vote: 5-0

Member El-Hajj moved to approve item 12. Member Burns asked if the current employee in the position would be called back if it is determined there is a need for additional service. Member Carlisle asked if the price increase had been considered in with the need for service. Mr. Christensen said the price increase was considered and may actually decrease the need. He would like to see if the work load can be handled and if over time help is needed, the current employee would be offered the work.

12. Reduce 1.0 FTE Publication Technician from 12 months to 10 months
Motion: El-Hajj Second: Bartholomew Vote: 5-0

Member El-Hajj said items 16, 17, 18, and 19, total approximately \$223,000 and asked if all the positions are currently filled. Mr. Christensen said at this time all the positions are filled and would require a lay off. If a retirement incentive is negotiated it may eliminate the need to lay off. Member Ryan supports item 19 because it is a reduction, not elimination of positions. She would also like to look at restoration and have these positions return when funds become available. Member Bartholomew said he is reluctant to commit to that at this time because it is uncertain how future revenue might be spent. Member Ryan moved approval of item 19.

19. Reduce 1.0 FTE to 0.50 FTE Lead Custodian/DO position
Motion: Ryan Second: El-Hajj Vote: 5-0

Member Ryan asked if more dollars could be used from IMFRP funds. Kristin Baranski said she planned to reduce the non-billable duplicating and consumables next year which would allow more dollars to be used. She believes she could provide an additional \$50,000 to be used as flexible money. Member Ryan moved to approve item 30, revising it to \$200,000.

30. Use Categorical Flexibility for portion of IMFRP funds
Motion: Ryan Second: Bartholomew Vote: 5-0

Although she wished she did not have to, Member El-Hajj moved to approve item 24.

24. Dissolve 22 FTE classroom teachers and increase average class size for K-3 to 26:1 with retirees
Motion: El-Hajj Second: Ryan Vote: 5-0

Member El-Hajj said as an AVID teacher she knows what a good program it is and hates to see it reduced. Mrs. El-Hajj moved to approve item 39.

39. Reduce AVID allocations for 3 schools from \$3,333 each to \$2,500 and provide a limited program
Motion: El-Hajj Second: Bartholomew Vote: 5-0

Member Ryan said she understands the need to save the money but would like to offer parents the opportunity to pay for Spanish. It gives kids a boost when they go to high school. Member Ryan moved to approve item 38 but not dissolve the

program, eliminating the cost of the teacher and transportation costs from the general fund dollars and have administration seek other funding sources such as ASES. Dr. Shaw said funding is being expanded for the ASES program and the Out of School Time Program may be able to provide opportunities at Carlton Hills School next year.

38. Spanish Program to be self funded and if possible receive support from ASES. No support from general fund dollars.

Motion: Ryan Second: Carlisle Vote: 5-0

Member Ryan said teachers have said kids who did not know how to swim greatly benefited from the third grade swim program. Member Ryan moved to discontinue supporting the swim program with general fund dollars and seek creative ways to fund the program for kids who do not know how to swim.

40. Swim Program to be provided as possible to non swimmers and self funded. No support from general fund dollars.

Motion: Ryan Second: El-Hajj Vote: 5-0

Member El-Hajj, with a heavy heart, moved approval of items 20 and 29.

20. Reduce 1.0 FTE to 0.625 FTE Senior Buyer/Logistics Specialist position pertaining to CIP

29. Reduce 9.00 FTE Day Custodians from 12 months to 11 months

Motion: El-Hajj Second: Bartholomew Vote: 5-0

President Burns said this was a very difficult process. The Board knows the people involved and as heart wrenching as this is, there is another set of reductions looming. President Burns move to approve items 16, 17, and 18, with the hope to remedy through negotiations.

16. Dissolve 1.0 FTE Maintenance Worker/Warehouseman

17. Dissolve 1.0 FTE Craftworker III position

18. Dissolve 1.0 FTE Groundsworker II

Motion: Burns Second: Bartholomew Vote: 5-0

Member El-Hajj asked what hours the technology help desk worked. Bernard Yeo, Director of Technology said the employee worked 40 hours a week and was a 12 month employee. Mrs. El-Hajj asked how much time is spent on the phone providing technology assistance. Mr. Yeo said about 60% of the time. Member El-Hajj asked what the employee does during the summer. Mr. Yeo said the employee assists in inventory, helping the technicians, and last summer helped pack for modernization. He tries to utilize whenever possible. Member Ryan does not wish to eliminate the position totally because ACI ranked it a low priority to reduce. Member Bartholomew asked if technology has a plan to continue to provide the help desk service. Mr. Yeo said a plan is in place for the work orders to go out to a technician.

Member Ryan believes the function is needed even if the time was decreased. Members El-Hajj and Ryan would like to see the position reduced to 4 or 5 hours per day instead of eliminated. Member Bartholomew said he believes this services is no different from the other reductions in services. He would not support keeping the position, even as part time.

Member El-Hajj moved to designate \$25,000 directed toward technology, possibly reducing the position to .60 FTE. Member Ryan seconded. The motion was defeated.

Motion: El-Hajj Second: Ryan Vote: 2-3 (El-Hajj, Ryan, yes)

Member Carlisle moved to approve item 14, dissolving the 1.0 FTE Technology Assistant position.

14. Dissolve 1.0 FTE Technology Assistant position (Help Desk)

Motion: Carlisle Second: Bartholomew Vote: 3-2 (El-Hajj, Ryan, no)

2.1 Approval of Monthly Financial Report

Karl Christensen presented the monthly financial report for January 2010. He shared the ending balance was \$5.3M, slightly lower than projected. He said it is important to understand the unrestricted balance includes a District reserve percentage of 13.5%. A reserve of 3% is a requirement for economic uncertainty, 6% is in fund 17, and 4.5% is from surpluses. The effects of the State budget reductions are masked by the one time Federal Stimulus money. The State initiated more reductions in 2009-10 because they did not make the reductions in 2008-09. There will be gradual spend down of the reserves over the next 2 years, leaving only the 3% required reserves. There will be additional ongoing reductions needed in the amount of \$2.2M in 2010-11 and growing in 2011-12. Education may see additional reductions in the May revise.

Member Ryan thanked Mr. Christensen for the report and asked for an explanation of what happens if the District does not have a balanced budget. Mr. Christensen said the District must show that we can meet our financial obligations through 2012-13, otherwise we could go into a qualified status, which initiates the County having greater oversight. A negative status

triggers the State to come in and take over the District. It is important to have a positive status on the second interim report to the County in March to have a qualified status. This also has a great impact to investors as we look at refinancing the Bond Anticipation Notes. Member Ryan moved to approve the Monthly Financial Report.

Motion: Ryan Second Carlisle Vote: 5-0
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2.2. Adoption of Resolution #0910-20 to Authorize the Issuance of the 2010 General Obligation Renewal Bond Anticipation Notes

Karl Christensen reported In order to provide for the renewal and extension of the 2009 Bond Anticipation Notes (BAN) through the issuance of the 2010 notes on the terms and conditions set out in the documents presented, it required the Board of Education to adopt Resolution No. 0910-20. There is a need to roll the BAN over into new financing because it was a 1 year note. It was determined that a three year BAN would cost the District more than a two year BAN. The market conditions may change and administration would like the flexibility to pursue the best financing based on the market conditions.

Mr. Christensen also explained the State Allocation Board will be meeting in late February to allocate some of the construction funding that is due to school districts. However, they only have \$100M of funding for \$900M in projects. Member Bartholomew moved to adopt resolution #0910-20 to authorize the issuance of the 2010 general obligation renewal bond anticipation notes.

Motion: Bartholomew Second El-Hajj Vote: 5-0
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3.1. Proposition R Program Performance Review Report, Fiscal Year 2008-09

Karl Christensen introduced Tony Fulton of AF Consulting who summarized the Proposition R Program Performance Review for the fiscal year of 2008-09. This is his second year looking at the program.

In the review, he looked at all five projects finished in Phase 1. The District saved about \$9M which was used for other projects. He found a good ratio between hard construction costs and soft management costs, a savings of about 5%. Change order costs are excellent at less than 3%. The District is doing a good job of managing the project.

There was a short turn-around time getting a new architect on board and keeping things in motion. Mr. Fulton recommends that any architectural contract be reviewed by legal counsel. There is new language available that is good to include in any future contracts.

All Phase 1 projects were completed ahead of schedule and on budget. Unfortunately, the State stalled funding which has created a work delay. He found some inconsistencies in the reported final costs of Phase 1 projects because the projects had not yet been completed. This is an administrative issue and is being resolved. Program spending to date should be analyzed and the Board should begin thinking about how to prioritize to proceed when funds become available.

The open vendor contracts should be re-evaluated and the vendors should be notified that their contracts are suspended and the contracts may need to be rebudgeted at lower or higher levels when work resumes.

The District received an excellent rate from the contractor. He recommended for the lease-leaseback arrangement, the contractor submit a monthly job cost report to the District to help drive the guaranteed maximum cost to a lesser cost. This helps to track and recover items that may be purchased and belong to the District. Mr. Fulton suggested a more detailed bond accounting procedure be developed that is less school site specific and more project specific.

In reviewing the change orders, occasionally there were signatures missing and some delegation from the Board was violated. He said this occurred during the transition of the new Assistant Superintendent and Superintendent. He recommended the processing time for change orders be reduced to be within 35-40 days. The District should assume the responsibility to designate the reason codes and classify the errors and omissions (change orders) to assure they are assigned correctly.

Mr. Fulton said overall the District has done an excellent job in Phase 1 and commended the excellent job done by Christina Becker as the Director of the modernization project.

Beth Selbe, a community member of the ICOC, provided a summary of the committee's activities during the past year. District administration has been very helpful and provides anything the committee needs for review. She is pleased to be a part of the project.

Member El-Hajj asked Mr. Fulton about classifying reason codes for change orders. Mr. Fulton said the project owner should be responsible because the owner is the one who may eventually pursue any recovery. There was not a problem with this in Santee and in the audit, the errors and omissions rate was very low.

