

Fountain Valley School District
Superintendent's Office

REGULAR MEETING OF THE BOARD OF TRUSTEES

10055 Slater Avenue
Fountain Valley, CA 92708

July 28, 2016

MINUTES

President Galindo called the regular meeting of the Board of Trustees to order at 4:00pm.

CALL TO ORDER

The following board members were present:

ROLL CALL

Jeanne Galindo	President
Sandra Crandall	President Pro Tem
Lisa Schultz	Clerk
Jim Cunneen	Member
Ian Collins	Member

Motion: Mrs. Schultz moved to approve the meeting agenda.

AGENDA APPROVAL

Second: Mr. Cunneen

Vote: 5-0

BOARD WORKSHOPS

Tim McLarney, from TrueNorth Research Firm, joined the Board for a discussion regarding the results from a recent public opinion survey in which over 400 residents of the Fountain Valley School District participated.

WORKSHOP WITH TIM
MCLARNEY FROM
TRUENORTH
RESEARCH FIRM

Dr. McLarney started out by outlining the purpose the study and the methodology of the study. It had 3 purposes:

1. Determine if a bond measure is feasible
2. Identify how to create a measure consistent with community priorities
3. Gather information needed for communications and outreach

He explained that the survey was conducted from June 22nd to July 7th, 2016. It was a random sample of 498 voters likely to participate in the 2016 election. They used a mixed method

approach comprised of phone and email. The overall margin of error is plus or minus 4.4%.

The issues covered in the survey were:

- Improving quality of education in local public schools
- Maintaining local streets and roads
- Preventing local tax increases
- Repairing and upgrading aging school facilities
- Reducing traffic congestion

The participants in the survey rated these issues as “Extremely Important” or “Very Important.” There were also additional measures that included: Prefer not to answer, Not sure, No and Yes.

The initial ballot test presented the participant with an overview of the measure, asked the participant a series of questions and then ended the survey with this question:

“Shall the Fountain Valley School District issue 63 million dollars in bonds at legal interest rates, with independent citizen oversight, no money for administrators, and all money staying local? If the election were held today, would you vote yes or no on this measure?”

The results of the initial ballot test indicated that 65% of the responses were “Yes” or “Probably Yes.” The interim ballot test indicated 62% at “Yes” or “Probably Yes” and the final ballot test indicated 59% of responses at “Yes” or “Probably Yes.”

The key conclusions from the survey were as follows:

- Is it feasible to move forward with a bond measure? **Yes.**
 - Voters perceive that improving the quality of education is the most important issues facing the community
 - Strong natural support for bond (65%)
 - Popular projects
 - Strong positive arguments
 - All ballot tests are above 55% required for passage of a Prop. 39 bond

Dr. McLarney ended his presentations by listing out several items for the Board to consider.

- A Poll is a snapshot in time, not a crystal ball
- Price tag: important to keep the tax rate in a range that voters view as affordable
- Project List: strongest support for repairing existing

facilities, upgrading classrooms and facilities to support STEM, AC installation.

- November will be a noisy, challenging election environment with overlapping, competing measures.
- Outreach & education are critical so voters understand the need, the plan, accountabilities, and the benefits to their particular communities

The Board then asked Dr. McLarney some questions about the presentation.

Mr. Collins asked about the effect of the “Not Sure” responses. Do they ultimately lead to a Yes or a No? Dr. McLarney stated that, for the purposes of polling, they assume the “Not Sure” responses will be a “No.”

Mr. Collins asked if it is safe to assume that some of the “Not Sure’s” could be “Yes’s.” Dr. McLarney responded by saying, “Yes, it’s very possible, but to be on the safe side, we always assume that the “Not Sure’s” are going to be ‘No’s.’”

President Galindo asked, “The 59% response of “Definitely Yes” and “Probably Yes” came from the Final Ballot Test. Should there be any concern, given the plus or minus 4.4%, that this could bring that 59% down to or below the required 55%?” Dr. McLarney explained that in Orange County, typically the electorates are more conservative. He explained that this pattern is very common. His experience on polling is that the estimate from the final ballot test is very reliable. He stated that he feels comfortable that the responses are above the 55%, but the District need to be thoughtful in the structure of this bond.

Mrs. Schultz asked whether the fact that FVSD hasn’t passed any bonds would be detrimental. Dr. McLarney said that because there is not a history of bonds being passed, it helps.

Mrs. Crandall stated that she appreciated the forthrightness of the results and the fact that TrueNorth treats the “Not Sure” responses as “No’s.”

Mrs. Crandall asked, “Of the 498 participants, how many were phone vs. email?” Dr. McLarney stated that the phone side was about 250.

Mrs. Crandall asked, “Who provided the email list?” Dr. McLarney stated that the voter file contained some emails, and

then TrueNorth matched it against other databases that have names and email addresses to come up with a pool of people.

Mrs. Crandall inquired, “None of the questions on the survey stated that the tax would go for 30 years. Will the duration of the tax ever be stated?” Dr. McLarney said that bonds are different from parcel taxes. In bonds, the duration is not tested as much, however, it is communicated to the participant during the Negative Arguments portion of the survey.

Mr. Cunneen wanted clarification on the Negative Argument that stated “Districts can’t be trusted, money will be mismanaged, won’t build what promised”. Mr. Cunneen expressed concern about the fact that 57% of the participants responded to this argument with “Very Convincing” or “Somewhat Convincing.” He asked if we should be worried about this. Dr. McLarney said that arguments like this strike a chord with voters, but it does not mean that it will take support away from our bond. The reality is, if the voters did not trust the District, we would not have 60% of them saying they would approve the bond.

Mr. Cunneen asked if other city measures would have an effect on our local bond measure. Dr. McLarney said that typically outside measures do not have an effect because most people get ballots based on where they live.

Mr. Collins said, “We’ve had a great response from our school community, but 80% of our overall community don’t have students in our schools. How do we handle that?” Dr. McLarney said that we need to reach out to that empty nest homeowner – they need to hear the FVSD story.

President Galindo commended Dr. McLarney, stating that she appreciated the presentation because it clarified many of her questions and it helped her understand the issues better.

Dr. Johnson thanked Dr. McLarney for the presentation and shared that he appreciated the clarity of the results and the forthrightness of the process. It gives us the opportunity to be greater stewards of this information.

Charles Heath from TBWB, a communications and outreach firm, along with the District’s financial advisor, Lori Raineri from GFS, and Janet Mueller, bond counsel with DWK Law Firm, joined the Board for a discussion regarding the feasibility of

WORKSHOP WITH
CHARLES HEATH,
TBWB, LORI RAINERI,
GOVERNMENT

placing a local facilities bond initiative on the November ballot. Mr. Heath outlined the possible next steps in informing our community of the District's need to upgrade facilities, Ms. Raineri shared updated financials related to the potential initiative, and Ms. Mueller was available to answer any questions related to the legal aspects of a local measure.

Mr. Heath began the presentation by explaining the Bond Planning Process. He described it in a series of five steps:

1. Feasibility Study
2. Build Consensus
3. Build a strong measure
4. Voter ID/Persuasion
5. Get out the vote

He explained the specific items that happen within each of these steps and then combined them with a November 2016 Election timeline.

He reviewed an FVSD Voter Summary broken down by party, age, ethnicity, geography and homeownership.

He went over the steps that need to be taken in the months leading up to the election and then gave the Board the opportunity to ask questions of him or Ms. Mueller.

President Galindo requested clarification regarding staff members not being allowed to use their work hours to advocate for the measure. She asked why they couldn't use work hours to advocate, but information can be passed out during in-services? Mr. Heath stated that sharing information for the purpose of educating is okay – but advocating is not.

Mrs. Schultz noted, with regard this current Bond possibility, the city line between Huntington Beach and Fountain Valley is confusing to people. There are people who live in Huntington Beach, but are a part of our district so they need to be aware of this bond and vote on it. She asked what we are to do about this. She also asked for clarification on the separate advocacy component that is not funded by the district and whether we have to fundraise for that.

Mr. Heath responded by saying that the communication strategy is not phone driven as much as it used to be. Other strategies that are used to get information out are more effective. However, you have to be sure to reach all the age groups and different age

FINANCIAL
STRATEGIES (GFS), AND
JANET MUELLER, DWK
LAW FIRM, TO DISCUSS
THE FEASIBILITY OF A
LOCAL BOND ON THE
NOVEMBER 2016
BALLOT

groups communicate in different ways. He stated that he would not recommend community meetings to get the information out to voters. With regard to fundraising, he stated that the District has to stay within the law and function within those limitations. With regard to the city line issue, part of the messaging will have to communicate that just because you live in Huntington Beach, you may be in the FVSD. It is an educational hurdle that the District will have to overcome.

Mr. Cunneen asked if there were other legal issues that we should be aware of. Mr. Hearth mentioned the OC Taxpayer's Association and the importance of being aware of how the construction program might actually work. He said that there would be a continual dialogue with TBWB during the planning process in order to address issues as they come up.

Mrs. Crandall acknowledged TBWB for their hard work and all the time they spent putting the presentation together.

Ms. Raineri started by reviewing elements from her presentation in June about Bond Basics. She provided a bond market update and reviewed the projected tax levies for a new bond measure.

She explained that a bond tax rate equals debt service, divided by assessed value. She reviewed the historical assessed value and tax rate.

She stated that \$59.3 million nets \$57.9 million for projects and that the survey tested a bond amount of up to \$63 million because FVSD's facilities needs are greater than what a conservative plan can attain.

She reviewed revenue sources for the District and the potential ROI.

Mrs. Crandall asked, "After an approval of a bond, when does the first sale usually take place?" Ms. Raineri said that you need to watch your timing – the assumption is that if we pass in November, the bonds will be issued in May. We could sell the month after the election, but her recommendation is a May issuance and the payment dates would work with the collection dates.

Andreas Chialtas, from Atkinson, Andelson, Loya, Ruud & Romo, joined the Board for a discussion of the possible future disposition of the Crossroads Office Park.

WORKSHOP WITH
ANDREAS CHIALTAS
FROM ATKINSON,

Mr. Chialtas' presentation provided detail on all the things that need to be taken into consideration regarding this property:

1. District goals and expectations/planning
2. Advisory Committees
3. Disposition procedure
4. Use of proceeds – sale proceeds vs. lease revenue
5. Waiver process
6. Disposition trends
7. FVSD's past dispositions
8. Potential timeline for disposition
9. Recommended next steps
 - Board direction to adopt a resolution to convene Advisory Committee
 - Discuss Property with Broker(s)?
 - Authorize an appraisal?

ANDELSON, LOYA,
RUUD & ROMO, TO
DISCUSS THE
CROSSROADS OFFICE
PARK

Dr. Johnson stated that, at this point, the District needs direction from the Board to go work with legal and to possibly draft a resolution to begin an Advisory Committee.

President Galindo opened it up for conversation and stated that she would like to move forward to draft a resolution. All Board Members concurred and provided direction to Dr. Johnson for the District to move forward with the drafting of a resolution to be presented to the Board for consideration at the regular meeting on August 11, 2016.

There were no requests to address the Board prior to closed session.

PUBLIC COMMENTS

Mrs. Galindo announced that the Board would retire into Closed Session. Action was not anticipated. The following was addressed:

CLOSED SESSION

- Personnel Matters: *Government Code 54957 and 54957.1*
Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.
- Pupil Personnel: *Education Code 35146*
- Negotiations: *Government Code 54957.6*

Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board’s designated representative, Cathie Abdel.

- Public Employee Performance Evaluation:
Government Code Section 54957 & 54957.1.
The Board met in closed session to discuss the annual performance evaluation of the superintendent.

The public portion of the meeting resumed at 7:15pm.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Dr. Steve McLaughlin

SPECIAL PRESENTATIONS

Dr. Johnson stated that the intent of this presentation was to organize all of the information regarding facilities in one place to make it easier for all members of the community to access it. The presentation also included links to all of the presentation materials from TrueNorth, LPA and GFS.

PRESENTATION BY DR. MARK JOHNSON, SUPERINTENDENT, MRS. CHRISTINE FULLERTON, ASST SUPT, BUSINESS, AND MS. LORI RAINERI, GOVERNMENT FINANCIAL STRATEGIES, ON THE DISTRICT’S EFFORTS TO UPGRADE AND MODERNIZE ITS FACILITIES

Dr. Johnson did a recap on the entire process, which began in November of 2014.

Mrs. Fullerton provided information on the current FVSD facilities, the modernization that has taken place at those facilities, the development of a Facilities Master Plan, the projected cost summary by school and by scope, stakeholder group prioritization, increased community engagement and fiscal options for funding.

She also recapped Dr. McLarney’s presentation on the Baseline Bond Survey.

Dr. Johnson discussed the key conclusions and considerations from the TrueNorth survey and what is involved in informing the community.

Ms. Raineri discussed bond basics and reviewed each element from her earlier presentation.

Dr. Johnson finished by saying that our district has always seen the value of the process and in including the community, and thus wanted to take this opportunity to communicate the process with the community.

He said that the next step is to get direction from the Board to draft a resolution.

President Galindo thanked the presenters and commended Dr. Johnson and the staff on the tremendous amount of work and constantly keeping the Board informed.

Mrs. Crandall asked, “What is the cost of a bond election and how would we pay for it?” Mrs. Fullerton said that we will do some research and get those figures.

After discussion, the Board provided direction to Dr. Johnson for the District to move forward with the drafting of a resolution which will be presented to the Board for consideration at the regular meeting on August 11, 2016.

BOARD REPORTS AND COMMUNICATIONS

Mr. Cunneen’s activities since the last meeting included:
Attending the Fountain Valley Little League All-Star games and the study session for the Fountain Valley Crossings plan, a joint study session with the City Council and the Planning Commission.

Mrs. Schultz’ activities since the last meeting included:
Attending Summerfest where she volunteered to work at the booth for the FV Schools Foundation.

Mrs. Crandall did not have a report to share this evening.

Mrs. Galindo’s activities since the last meeting included:
Preparing the agenda for tonight’s meeting with Dr. Johnson and preparing the superintendent’s evaluation. She thanked Mrs. Crandall for preparing the meeting agenda in her absence.

Mr. Collins’ activities since the last meeting included:
Attending a Rotary meeting and a FVSF meeting about the October 10th golf tournament. He thanked the Board and the District for all the well wishes while he was recovering.

PUBLIC COMMENTS

There were no requests to address the Board.

PUBLIC COMMENTS

LEGISLATIVE SESSION

Motion: Mrs. Crandall moved to approve that Board Policy 5145.3 Non-Discrimination/Harassment be approved for first reading, with necessary changes as indicated by the board of Trustees. BOARD POLICY 5145.3 NON-DISCRIMINATION HARASSMENT (FIRST READING)

Second: Mr. Collins

Vote: 5-0

Motion: Mr. Cunneen moved to approve the Consent Calendar CONSENT CALENDAR/ ROUTINE ITEMS OF BUSINESS

Second: Mrs. Schultz

Vote: 5-0

The Consent Calendar included:

- Board Meeting Minutes from the June 30th regular meeting
- Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- Donations
- Warrants
- Purchase Order Listing
- Budget Adjustments
- Adoption of Resolution 2017-05: Compensation to Board President, Jeanne Galindo, for missed regular meeting on June 30th, due to illness
- Adoption of Resolution 2017-06: Compensation to Board Member Ian Collins for missed regular meeting on June 30th, due to illness
- Receipt and approval of 2015-16 Quarterly Report on Williams Uniform Complaints
- Adoption of Resolution 2017-01: Authorization of Signatures on Replacement Warrants
- Adoption of Resolution 2017-02: Appointment of Custodian of Revolving Cash Fun
- Adoption of Resolution 2017-03: Authorization of approval of Vendor Claims/Orders
- Adoption of Resolution 2017-04: Authorization of Signatures
- Adoption of Resolution 2017-07: Temporary Inter-Fund Transfer from Fund 40
- Authorization to use Murrieta Valley USD Dairy bid (#D-051914)

- Approval of Agreement for Special Services with School Services of California
- Approval of Record of Eighth Grade Promotion, June 2016
- Approval of District Field Trip List
- Receipt of Investment Policy for review
- Approval of Special Education Settlement Agreement
- Approval of Addendum to Agreement with Revenue Enhancement Group, Inc.
- Approval of contract with TBWB to provide electoral feasibility, public outreach and communication consulting services in preparation for a possible 2016 General Obligation Bond Measure
- Approval of contract with Dannis, Woliver, Kelly to provide Bond Counsel and Disclosure Counsel services for a possible 2016 General Obligation Bond Measure

SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS

Dr. Johnson Welcomed back both President Galindo and Mr. Collins, noting that he is so thankful that they are both back and healthy. He said that he's very excited for Leadership Advance – over 100 people are expected to attend and the day will be extraordinary. The theme is The FVSD Impact – when people decide to work together – the impact is incredible. He thanked the administrative team for all their work – especially Mrs. Fullerton for all of her work in getting ready for this Board Meeting. He thanked the Board for participating in the workshops tonight. He stated that he was very happy to see that Mrs. Lucchese was attending the meeting. He let everyone know how much he missed her and how excited he is for her to return to work on Monday. He thanked Mrs. Goble for her work in Mrs. Lucchese's absence and told her how much it is appreciated.

CLOSED SESSION

Mrs. Galindo announced that the Board would again retire into Closed Session. Action was not anticipated. The following was addressed:

CLOSED SESSION

- Personnel Matters: *Government Code 54957 and*

54957.1

Appointment/Assignment/Promotion of employees; employee discipline/dismissal/release; evaluation of employee performance; complaints/charges against an employee; other personnel matters.

- Pupil Personnel: *Education Code 35146*
- Negotiations: *Government Code 54957.6*
Update and review of negotiations with the FVEA and CSEA Bargaining Units with the Board's designated representative, Cathie Abdel.
- Public Employee Performance Evaluation:
Government Code Section 54957 & 54957.1.
The Board met in closed session to discuss the annual performance evaluation of the superintendent.

ADJOURNMENT

Motion: Mr. Collins moved to adjourn the meeting at 9:21pm.

Second: Mrs. Schultz

Vote: Unanimously approved

/hg