

Fountain Valley School District  
Superintendent's Office

**REGULAR MEETING OF THE BOARD OF TRUSTEES**

10055 Slater Avenue  
Fountain Valley, CA 92708

**November 14, 2013**

**MINUTES**

President Crandall called the regular meeting of the Board of Trustees to order at 6:00pm.

CALL TO ORDER

The following board members were present:

ROLL CALL

Sandra Crandall	President
Jimmy Templin	President Pro Tem
Judith Edwards	Clerk
Ian Collins	Member

Absent:

Jeanne Galindo	Member
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Mrs. Crandall noted the following addendum to the agenda with corrections to the support for item 5-I on the agenda:

AGENDA APPROVAL

**5-I. CONTRACT FOR SERVICES BETWEEN ORANGE COUNTY DEPARTMENT OF EDUCATION AND THE FOUNTAIN VALLEY SCHOOL DISTRICT FOR COMMON CORE MATH PROFESSIONAL DEVELOPMENT**

Superintendent's Comments: It is recommended that the Board of Trustees approves the contract between Orange County Department of Education and the Fountain Valley School District for Common Core Math Standards professional development for the 2013-2014 school year.

**Motion:** Mrs. Edwards moved to approve the meeting agenda.

**Second:** Mr. Collins

**Vote:** 5-0

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

PUBLIC COMMENTS

Mrs. Crandall announced that the Board would retire into Closed

CLOSED SESSION

Session. Action was anticipated. The following would be addressed:

- 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.
- 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.
- Conference with Real Property Negotiators: *Government Code 54956.8*  
Real property negotiator Andreas Chialtas of Atkinson, Andelson, Loya, Ruud and Romo will join Assistant Superintendent, Steve McMahon and Director, Fiscal Services, Scott Martin in speaking to the board about the negotiations concerning the property at 9790 Finch Ave, Fountain Valley, CA.

The public portion of the meeting resumed at 7:10pm.

PLEDGE OF  
ALLEGIANCE

Dr. Ecker led the Pledge of Allegiance.

## STUDY SESSION

Mr. McMahon began the study session by reviewing the history of Fund 40. He reviewed the ending balance history for Fund 40 beginning in 2002 and into the future into 2016. He noted that since 2009, the district has been using reserves to support the General Fund, over \$18 million over time. He reviewed the major property sales since 2001, totaling over \$99 million. He reviewed as well the expenditures from this money including \$26.2 million for modernization; maintenance/transportation/warehouse building purchase for over \$3 million; purchase of the district offices for \$7.7 million; purchase of vehicles and computer equipment for \$700,000; and \$18.5 million in transfers to the General Fund. He noted that the reserve for our COP debt is \$10 million; General Fund support will be exhausted by 2015-16 at the present rate; and \$35 million has been received from the sale of Lamb and Wardlow and

STUDY SESSION ON  
FUND 40

remains uncommitted. Considering this, he reviewed some recommended actions including paying off the COP, eliminating deficit spending, and investing the proceeds from the sale of the Lamb and Wardlow sites. He explained that at the current US Treasury rate, annual earnings would be \$1.34 million or there is the option to use a “laddered” approach to reduce rate risk. He noted that if consensus is reached to accept these recommendations, a resolution could be brought to the next Board meeting to formalize actions regarding the use of funds in Fund 40.

Mr. Collins noted that when the cost of health care rose so rapidly and the District reached into Fund 40 to assist, while this was the right thing to do, it does make one realize how quickly funds can be depleted. With LCFF we should be receiving more. He noted his agreement with Mr. McMahon on the importance of interest money to be used after the deposit of Lamb and Wardlow funds. He noted his agreement with the recommendations.

Mrs. Crandall noted that these sites were placed into this fund by previous boards and subsequent boards deviated from using the interest earnings only original idea. This has provided great benefit to the district through modernization, etc. She asked the Board their thoughts of paying off the COP by 2014, knowing that the early payoff is without penalty. Mrs. Edwards noted her opinion that we need to do this as it is the prudent thing to do.

Mr. Templin noted his curiosity for the argument against paying off the COP. Dr. Ecker noted that if the return on our investments would be less than the 3.5% interest we currently pay on the COP, there would not be a benefit to paying off the COP. Mr.

McMahon explained that not paying it off allows the money to be used for a different investment. Mr. Collins noted that with paying off the COP, the district would be in a better fiscal situation. The board reached consensus on paying off the COP in November 2014 and directed staff to include this in the resolution for the December meeting.

Regarding the recommendation to eliminate deficit spending, Mrs. Edwards noted her support of eliminating deficit spending. Mr. Templin noted that while we have a unique perspective and are coming out of hard times, given the recommendation from staff coming from their expertise and knowing all of the needs of the district, he noted his support of the recommendation. Mr. Collins noted his agreement, especially if we can get a balanced budget, noting that things are brighter for the future. He noted our uniqueness as a district in that we can pay off the COP and balance our budget. He noted his concern of the technology needs of the district and the source of these funds, something that we must responsibly keep in mind here as well. Dr. Ecker noted

that the elimination of deficit spending is something that staff concurs with and if we are to grow as a district, we do need to keep our deficit spending to a minimum or eliminate it all together. Most of the funds received by the district are out of our control. He noted that in 2007, we thought that things were going quite well, given the property sales and the money coming in from Sacramento, and the district took on some initiatives, like raising staff salaries to the mean. Unfortunately, the economy then turned which was something that we couldn't foresee. If we had adopted a resolution prior to this to not deficit spend, he questioned where the district would have been when the economy turned. On the other hand he noted that while there are some things that cannot be predicted, it is generally bad to spend more than you make. Mrs. Crandall noted her support of getting the deficit down to zero over the next two years. The board reached consensus to include elimination of deficit spending by 2015-16 in the December resolution.

Mrs. Crandall asked the Board their thoughts on the use of the \$35 million remaining in Fund 40. Mrs. Edwards noted again the original purpose to provide a revenue stream and noted her support for investing in a laddered portfolio. Mr. Templin noted his agreement, given that so much is out of our control if there is a way to provide an ongoing revenue source it may be something difficult to do but something that we should try. We do have some serious needs in front of us but he noting feeling good about making the attempt. Mr. Collins noted that there is a little bit of him that feels uncomfortable at committing to 30 years at \$35 million. Mr. McMahon explained that staff recommends that the Board put the money aside but also meet with some advisors to provide input as to what to do with investing it. Mr. Collins noted his agreement on the principal staying the same. Mrs. Crandall noted her agreement. The board reached consensus on including investing proceeds from Lamb and Wardlow for the long term, preserving principal and using earnings only for current year expenditures.

Mrs. Crandall noted that currently Fund 40 is with the County receiving interest of less than 1%. She asked the Board their thoughts on keeping Fund 40 with the County. Mr. McMahon noted that the best advice is to have a mix, bringing in an expert to advise. There was consensus to no longer keep Fund 40 with the County. Regarding using a financial advisor, Mr. McMahon noted that when investing with a professional money manager, it is important to find someone with a track record of ethics. He noted that having a professional with a strong track record is the way to go. While using the staff on hand is a cheaper option, it will most likely have a lesser return. Mrs. Crandall asked if there

was consensus on interviewing potential firms. Mr. Collins asked if there was a timeline regarding this. Dr. Ecker noted his support of using an investment advisor, noting that once a resolution is adopted, we would work to bring firms forward for the Board's consideration. Mrs. Crandall directed Mr. McMahon to include this in the resolution as well.

Regarding the interest yielded from the \$35 million, Mrs. Crandall asked for ideas, once deficit spending has ceased, for use of this revenue. Mr. Collins noted that previous cuts affecting students with the most need, ongoing staff development and our technology needs are all things that interest him. Mrs. Edwards noted as well elementary music. Mr. Templin noted his interest in hearing from staff and teachers regarding their needs and perhaps a needs assessment. Mrs. Crandall noted the elementary vocal music program; student early intervention programs; after school classes or reading coaches to increase student outcomes; professional development; instructional materials; fund centers suggested with differentiated instruction; library hours were decreased and an update on how this is working would help us to see if there is a need there; a consistent writing program for our district; and coaches for teachers, an extended BTSA of sorts. She also noted that grit (perseverance over time) is an important factor in student learning, propelling students to complete school, and yet, our students are not hardwired like this, and as such this is an area that cannot be ignored. Mr. Collins noted as well the natural course of events, maintenance of our sites, vehicle needs, etc. and the ongoing needs in running a district. And so he noted that the idea of the priority of cutting, perhaps it needs to be restored in reverse and perhaps more discussion is needed. Mrs. Crandall confirmed that Mr. McMahon and staff have the information needed to form a resolution for December. Dr. Ecker confirmed as well the board's interest in completing a needs assessment and bringing this forward at a later date.

## **STAFF REPORTS AND PRESENTATIONS**

Superintendent Dr. Marc Ecker reviewed the Local Control Accountability Plan (LCAP) included in the 2013-14 Budget Act and the procedures and timeframe by which staff will prepare the new LCAP for the Board's review and approval. He explained that LCFF and the LCAP are linked together and the Board needs to adopt the LCAP prior to adopting the budget, taking into account the funds provided by LCFF. Money needs to address two areas, English learners and economically impacted youth. There are three options to show in the LCAP that we are successful: spending more money than in the past year; providing

**LOCAL CONTROL  
ACCOUNTABILITY  
PLAN (WRITTEN ONLY)**

more services to these two groups and the population at large; or students need to achieve more. It has been noted though that the third option is problematic given the lack of available data this year, something that is being worked out. He noted that the guidelines of the LCAP are to be simple, transparent, local and performance focused. There are six areas that the LCAP meshes in with the LCFF including stakeholder engagement. Stakeholder engagement should include parents, community members, students and other stakeholders (defined as LEA or school district personnel and other governmental agencies). The only specification for involvement as defined in the law are parents that represent English learners, our DELAC committee, and parents representing economically disadvantaged youth. We would also involve special education parents. These are the only three formalized, the others are not. The rest is up to the LEA and their plan as to how they engage other stakeholders. There also needs to be a needs assessment, using the data we have to see where needs are and the plan needs to include goals specific to these needs. There needs to be a performance level, noting what improvements we are specifically seeking to achieve. The fifth is what services we will be funding over and above what we are doing now. The last is the budget element that needs to link in with the dollars.

Assistant Superintendent, Instruction, Anne Silavs reviewed the Early Development Index, a required component of the District's work plan with the Children and Families Commission, and the timeline for implementation during the 2013-2014 school year.

**EARLY DEVELOPMENT  
INDEX (WRITTEN  
ONLY)**

## **BOARD REPORTS AND COMMUNICATIONS**

Mrs. Edwards visited Newland, Tamura, Masuda, Courreges, Oka, Cox and Talbert. She commended Mr. Ham for his pictorial log of how teachers are getting on board with chrome books. She also enjoyed the Veteran's Day ceremony at Masuda and met with the Chinese delegation at Courreges.

**BOARD REPORTS AND  
COMMUNICATIONS**

Mr. Templin participated in a SELPA in-service on bullying and found it very informative, noting the case logs shared and the OAH standards to determine if a student is being denied FAPE.

Mr. Collins visited Newland, Tamura, Masuda, Courreges, Oka, Cox and Talbert, met with the Chinese delegation at Courreges, attended the middle school soccer tournament at Talbert, and he commended the United States' response to typhoon relief in the Philippines.

Mrs. Crandall commended Mrs. Abdel on the CBO search and its successful results with a \$20,000-25,000 savings to district. She attended the Mayor's Ball, the Plavan harvest festival, Oka's casino night, Courreges' Halloween parade, met with the Chinese delegation at Courreges, attended Masuda's Veterans' Day ceremony, and the joint VFW and City of Fountain Valley Veterans' Day presentation. She toured Newland, Talbert, Cox and Oka, attended the Rotary Most Improve Student recognition, the OCDE TOTY recognition, FVEF meeting where plans for the Taste of Fountain Valley, the Mr. Fountain Valley pageant and the PIO initiative were discussed, the Boys and Girls Twilight meeting, cabinet meeting for tonight's agenda, and she presented two parent trainings on reading for 2<sup>nd</sup> grade parents, and trainings for preschool parents for early literacy. She thanked all the trustees for their service over the past month.

## **PUBLIC COMMENTS**

There were no requests to address the Board.

## **PUBLIC COMMENTS**

## **LEGISLATIVE SESSION**

**Motion:** Mr. Templin moved to approve and accept the offer received from Leport Educational Institute, Inc. for the property, and reject all three counter offers for the property.

**Second:** Mrs. Edwards

Mr. Collins noted this benefit to the district and that this was well done by our attorneys. Mrs. Crandall noted that this is a Montessori school that will start with an infant through middle school program. They have a sound foundation, providing a revenue stream for the district for 20 years.

**Vote:** 4-0

**Motion:** Mr. Templin moved to approve a delegation of authority to Scott Martin, Director Fiscal Services or his designee, to execute the final Option Agreement and Lease Agreement with Leport Educational Institute, Inc.

**Second:** Mr. Collins

APPROVAL OF  
ACCEPTANCE OF  
HIGHEST OR  
SUCCESSFUL BID  
AND DELEGATION  
OF AUTHORITY TO  
EXECUTE FINAL  
LEASE AGREEMENT

vote: 4-0

**Motion:** Mr. Templin moved to approve the Consent Calendar.

Second: Mrs. Edwards

Vote: 4-0

CONSENT  
CALENDAR/  
ROUTINE ITEMS OF  
BUSINESS

Mrs. Crandall congratulated Christine Fullerton on her appointment as our new Assistant Superintendent, Business effective sometime in January with overlap with Mr. McMahon.

The Consent Calendar included:

- Board Meeting Minutes from the October 17<sup>th</sup> meeting
- Personnel Items (Employment Functions, Workshops/Conferences, and Consultants)
- Donations
- Warrants
- Purchase Order Listing
- Budget Adjustments
- Adoption of Revisions to Board Policy 5121 Grades/Evaluation of Student Achievement (Second Reading and Adoption)
- Approval of Common Core State Standards Spending Plan (Second Reading)
- Approval of Contract for Services Between Orange county Department of Education and the Fountain Valley School District for Common Core Math Professional Development
- Approval of Annual Organizational Meeting
- Adoption of Resolution 2014-16: Authorization for Teaching Credentials for 2013-14 School Year
- Approval of Contract with Silver Creek Industries, Inc. for Two Relocatable Classroom Buildings at Talbert Middle School
- Approval of Notice of Layoff for Classified Position – Reduction of work Hours
- Approval of Acceptance of 2013-14 Memo of Understanding Between the Orange County Department of Education and the Fountain Valley School District for the Beginning Teacher Support and Assessment System (BTSA)/Induction Program Consortium – Agreement #39732
- Non-Public Agency Contracts

Non-Public School/Agency	100% Contract Cost	Effective Dates
Therapeutic Education Centers	\$2,090	7/1/2013-6/30/2014



Speech & Language Devel. Center	\$5,134.50	7/1/2013-6/30/2014
Cornerstone Therapies	\$960	9/17/2013-6/30/2014

### **SUPERINTENDENT'S COMMENTS/NEW ITEMS OF BUSINESS**

Dr. Ecker            Thanked the Board and Mr. McMahon and staff for their work this evening on our study session on Fund 40. He noted his belief that this meeting was a watershed meeting, given the board consensus on actions for Fund 40.

### **ADJOURNMENT**

**Motion:**        Mr. Collins moved to adjourn the meeting at 8:48pm.

**Second:**        Mrs. Edwards

**Vote:**            Unanimously approved

/rl