

November 17, 2003

**CALL TO ORDER**

The Board of Education of the Monterey Peninsula Unified School District met in regular session at 5:40 p.m. on the above date at the Instructional Materials Center, 540 Canyon Del Rey, Monterey, California.

The meeting was called to order by President Troutman.

**ROLL CALL –  
ESTABLISHMENT OF  
QUORUM**

Board Members Present: Robert Eggers  
Resa Foss  
Shanda LeBoeuf (arrived at 5:44 p.m.)  
Carlos Noriega  
Marjorie Troutman  
Daniel Villa

Board Member Absent: Regena Lauterbach

Staff Members Present: Jim Burnis  
Daniel Callahan  
Robert Costa  
Shelby Garrison

DLI/POM/NPS Representative Present: Ron Graddy

Student Board Members Present: Carmelo Tringali, Monterey HS  
Valine Moreno, Seaside HS

The President declared that a quorum was present and the Board proceeded with the order of business.

**PUBLIC COMMENTS**

No public comments were made at this time.

**CLOSED SESSION**

The Board adjourned to closed session at 5:41 p.m. to discuss the following:

- Public Employee Discipline/Dismissal/Release
- Conference with Labor Negotiator
  - a. *Agency Negotiator: Robert Costa*
  - Employee Organization: California School Employees Association*  
*Monterey Bay Teachers Association*

**RECONVENE OPEN SESSION**

The Board reconvened at 7:05 p.m. to take the following action:

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag of the United States of America was led by Ron Graddy.

**REPORT ACTION TAKEN IN  
CLOSED SESSION, if any**

President Troutman reported that the Board took action in closed session to suspend employee #1419 for a period of 18 days. The vote was 5-1 (Noriega).

**TAKE ACTION TO ITEMS  
THAT AROSE SINCE  
POSTING OF THE AGENDA**

No additional items were added to the agenda.

**STUDENT BOARD MEMBER  
REPORTS**

Carmelo Tringali reported on activities at Monterey High School including the homecoming rally, dance, and football game against Seaside High School; a canned food drive, blood drive, and winter ball.

Valine Moreno reported on activities at Seaside High School including the sale of candy grams, winter ball, football game against Seaside High School, soccer, and a National Coalition Building Institute trainer of trainers workshop on diversity.

Board member Eggers thanked the student Board members for their participation on the "D" policy committee and commented on input from a Seaside High School civics class.

**CORRESPONDENCE**

President Troutman acknowledged e-mails from the following elementary school secretaries expressing support for the reclassification and reallocation request for school office secretaries: Pat Barnes, Joyce Serrano, Edie Lemon, and Laura Tantillo.

**SUGGESTIONS AND COMMENTS FROM MEMBERS AND OFFICERS OF THE BOARD**

Board member LeBoeuf thanked all for attending the meeting, and stated she wanted to be on record that she wanted to hire the California School Boards Association to update the Board policies to be in compliance and to avoid any issues that might come up.

Board member Foss referred to the rising cost of health and welfare benefits throughout California and requested input from the public regarding a parcel tax, transient occupancy tax, or Mello-Roos to address the issue.

**SUGGESTIONS AND COMMENTS FROM VISITORS – NON-AGENDA MATTERS**

Ewalker James, Citizens League for Progress President, expressed appreciation to Board member Villa for his 12 years of service in the District.

Carol Shadwell, Monterey Bay Teachers Association (MBTA) representative for Highland School, highlighted activities at the school and invited Board members to a common lunch served by students. Ms. Shadwell said, as a union representative, she was supportive of resolving the legal issue with MBTA and for a substantial increase in pay for the 2004-2005 school year.

Martha Henry, Manzanita School teacher, invited Board members to attend the school's beautification day on November 22 and distributed a flyer announcing the event.

Terri DeBono, newly elected Board member for Trustee Area 3, expressed support for Measure Q, Preservation of Natividad Medical Center's Healthcare Delivery System, and urged the Board to support it as a unit.

Valine and Carmelo expressed their support for Measure Q.

(The student Board members left the meeting at 7:26 p.m.)

**ACTION ITEMS**

Approve Resolution of Appreciation -- Daniel Villa

**RESOLVED** that the Board adopt the attached resolution in recognition of the outstanding service of trustee Daniel Villa.

Board member Villa was commended for his dedicated service to the District and he shared parting thoughts with the Board.

MSC\* Eggers, LeBoeuf  
AYES: 6

Approve Ratification of Change Orders 22-24 for Modernization Phase 1A General Construction

**RESOLVED** that the Change Orders 22-24 for Phase 1A General Construction increasing the contract amount to \$6,790,020 be approved.

MSC Eggers, Foss  
AYES: 6

Approve Classified Job Descriptions and Reclassification/Reallocation Request for School Office Secretaries

Francine Stewart, MBTA President, said the process has been in the works for many years prior to litigation against the District. She expressed appreciation for school office secretaries and said the association supported the request for reclassification/ reallocation.

Board members Eggers and Noriega expressed their support and said the action was overdue.

Board member Foss said she had no problem with the reclassification, but with the timing and the need to address custodians and bus drivers. She expressed her support, but noted when there is no money, it is difficult to recognize one group.

School office secretaries in the audience were acknowledged.

Carol Saxton, Highland School secretary, said this is the end of an eight-year struggle, and expressed her appreciation to the Board and MBTA.

Anna Macaluso, California School Employees Association (CSEA) First Vice-President, expressed appreciation to the Board, administration, and MBTA for their support.

**RESOLVED** that the following classified job descriptions and reclassification/ reallocation request for school office secretaries be approved:

- School Office Supervisor I
- School Office Supervisor II
- School Office Supervisor III

MSC                      Noriega, Eggers  
 AYES:                      6

Approve Budget Revision #3

**RESOLVED** that Budget Revision #3 be approved.

MSC                      LeBoeuf, Villa  
 AYES:                      6

**CONSENT AGENDA**

Approval of Consent Agenda

**RESOLVED** that the Consent Agenda be approved as submitted.

1. Approve Minutes

May 5, 2003, Regular Board Meeting  
 November 3, 2003, Regular Board Meeting

2. Approve/Ratify Personnel Items
3. Ratify Purchase Orders for October 1 through October 31, 2003
4. Ratify Warrant Register for October 1 through October 31, 2003
5. Approve Gifts to the District

From	To/Purpose	Amount
La Mesa Elementary 3 <sup>rd</sup> Graders	La Mesa School For instructional supplies	\$300.75
Manzanita School PTA	Manzanita School For a copier machine	\$2,144.99
Mary Wolf Rolwing Bogue Foundation	Colton Middle School For the music & drama programs	\$1,253.45
Colton Middle School PTSA	Fitch Middle School For the music program	\$500.00
Fitch Middle School PTSA	Fitch Middle School For instructional supplies	\$500.00

University of Wisconsin	Fitch Middle School For instructional supplies	\$500.00
Big Sur International Marathon	MPUSD Special Services For the preschool program for at-risk children	\$750.00
Seaside Children's Center PTA	Seaside Children's Center For field trip to the pumpkin patch	\$280.00

6. Approve the Preparation and Submission of a Specialized Secondary Program Grant
7. Approve Single Plans for Student Achievement
  - Bay View School
  - Marina del Mar School
  - Marina Vista School
  - King Middle School
8. Approve the Preparation and Submission of the Child Development Continued Funding Application for 2004-2005 (\$2,564,189)

MSC                      Noriega, Foss  
AYES:                      6

**REPORTS**

Superintendent's Report

Dr. Callahan shared information regarding an upcoming Lozano Smith Consortium at the Monterey Plaza, a leadership and governance team development workshop for Board members by Jim Brown, and celebrating successes.

It was the consensus of the Board to agendaize the leadership and governance team development workshop for discussion at the December 1 meeting.

President Troutman reported that some academies are self-funded and others are funded by the State. She said academy costs are currently a line item in the State budget and that districts with academies must continuously meet the criteria to qualify for funding.

DLIFLC/POM/NPS Representative

Mr. Graddy provided an update on the Partnership-in-Education program with the Presidio of Monterey, Defense Language Institute, and Naval Postgraduate School, and said a memorandum of understanding will be presented to the Board at the next meeting.

**INFORMATION**

Monterey Bay Teachers Association Presentation Regarding Referee's Decision of June 26, 2003

Dr. Callahan said the Monterey Bay Teachers Association (MBTA) presented a request to the Board to be placed on the agenda to address Judge Silver's Decision of Referee of June 26, 2003.

Michelle Welsh, legal counsel representing MBTA, referred to the District's presentation on September 15 regarding the referee's decision and said there were items represented that the association did not view as accurate. She distributed a copy of the Stipulation and Order Regarding Interpretation of Judgment on Stipulation. She said she was not here to address the referee's decision, but to focus on the obligation of the District to the teachers under the stipulated judgment. In the initial action filed by MBTA, it was asserted that substantial sums had been directed by the District from the health and welfare fund. Ms. Welsh provided background information leading to the 1999 lawsuit against the District, a Judgment on Stipulation, Stipulation and Order Regarding the Interpretation of Judgment on Stipulation, Rescission of the Stipulation Regarding Interpretation, and arbitration on whether the District owed the full amount provided in the collective bargaining agreement or if the District had the obligation to maintain a health and welfare fund that was sufficiently funded. She said an issue was whether or not the District's reserve net or exceeded 5%, and the findings of Judge Silver were that the District had reserves that exceed 5% all year up until March when the State loan was paid off. Another question raised was whether or not the

salary cap had ended whenever the reserves net or exceed 5% and should the teachers be held to their salary freeze and cap on health and welfare benefits in a year when the District can afford to pre-pay its mortgage? Ms. Welch said what is pending before the court is Judge Silver's decision that the teachers could not get out of their agreement and the District's reserve did not exceed 5% because the District paid off the State loan in good faith. A question is since the judge found the facts as the teachers represented them, why was the conclusion that the teachers were not entitled to relief? She said another item presented with no decision was whether the \$1.8 million received last year, because of the State's error in funding, should count in the computation of net state aid under the judgment. She said the \$15.6 million debt is still owed and is a judgment of the court in favor of the teachers; the only money that is credited toward paying off the judgment are the increases in net state aid that are attributed to teacher salaries; the judgment is intended to be over and above the ordinary bargaining between the District and MBTA; the only funds that credit against that debt are ones that derive from increases in net state aid; the amount owed under the judgment to place on the bargaining table is a minimum mandatory amount; the judgment is owed and the Board can decide to pay the amount off in other ways if it chooses to do so and the teachers agree; the District is not obligated to make the same arrangements with the other employee associations because they declined participating in the lawsuit; the District is obligated to pay the actuarially determined amount of premiums necessary to maintain the level of benefits currently in effect and to maintain the actuarially determined reserve in the Health and Welfare fund. Ms. Welch said at the end of this school year, the stipulation and order interpreting the judgment expires by its own terms. The judgment itself will continue until the \$15.6 million has been paid in full.

In response to Board Member Egger's question regarding the amount of the reserve and whether the audience was aware that 3% is required for the reserve and the association gave the District permission to use \$4.6 million to pay off the State loan, Ms. Welch said the language in the Stipulation and Order Regarding Interpretation said the \$4.6 million withdrawn from the excess funds in health and welfare fund, before it was set up as a trust, could be used for several purposes: (1) to pay the payment due on the State loan or to pay the State loan or (2) count that money toward the reserves required to meet the 3% to stay out of State receivership. She said at the time of that negotiation, when there was \$400,000 left in the budget, there was no realistic talk about paying off the State loan. She said the amount that came out of the health and welfare fund was authorized to be used to pay the payment on the State loan; there wasn't a specific agreement to pay off the State loan. She said the question is did the salary freeze end? She said the judge said the ending balance was over \$7 million.

In response to Board President Troutman's question about suggestions to expedite the payoff and how it could be done, Ms. Welch said that bargaining on salaries next year commence immediately, and that the two required computations be made – any increase in net state aid and the savings from net placement changes. She said the definition of net state aid has been clarified. The District is obligated to implement the rest of Phase II of the mid-range salary increase and must be included in the budget discussions. Ms. Welch referred to the District Strategic Plan on building trust and said not once, since entering into the stipulated judgment, has the mechanism actually been used and there has been no computation of increase in net state aid even if it came out to zero, and no information produced to calculate savings in net placement changes.

In response to Board President Troutman's question regarding net state aid, Chief Business Officer Jim Burnis said the net revenue limit for the last two years has been a negative number, and the District is not getting more dollars per student. There cannot be a net state aid increase and there probably won't be one next year.

Board Member Noriega referred to Ms. Welch's comment about building trust and said the means to build trust internally and with the community was developed with the community. When it comes down to money there is always going to be two sides to the story. Board Member Noriega said, based on what has been presented to the Board by staff and the association, there isn't any money.

A recess was taken at 8:54 p.m., and the meeting reconvened at 9:03 p.m. to take the following action:

Board Study Session

Dr. Callahan said the Board gave staff direction to develop a process for budget development and facilities utilization for 2004-2005, and long-term facilities development over the next 15-20 years.

a. Process and Timelines for Developing Peninsula-wide Recommendations for Facilities Utilization and Development, and Budget Priorities

- Short-Term Budget, 2004-2005

Chief Business Officer Jim Burnis presented information on a draft calendar for the budget development process, the status of the 2003-2004 budget and 2004-2005 budget projections, and clarified questions from Board members. He reviewed budget impacts and projected that the District will be facing a cut that needs to be made in next year's budget from this year's operating budget of approximately \$2.1 million based on the following assumptions: no net increase in revenue limit for average daily attendance (ADA) for next year; no increase in salary schedule; no increase in health and welfare; no program reinstatements; no significant increase in workers compensation or special education costs. He recommended that the Business Advisory Committee (BAC) be expanded to include community members with interest in the schools, and that the group meet over the next three to four months to help the Board decide on what might be the best course of action to reducing the budget.

Dr. Callahan asked Board members to provide input to the draft calendar for the budget development process, and any suggestions about particular representatives from the trustee areas that Board members might like to see added to the core Business Advisory Committee. He provided a list of current BAC members to Board members.

Board Member Eggers suggested that the expanded group be representative of the five cities within MPUSD.

Board Member Troutman suggested asking for recommended names at the next Peninsula Governance Collaborative on November 24.

Dr. Callahan suggested that Board members could also bring any ideas for a brief discussion, with community representatives, as to who can be added to the committee.

Board Member Villa suggested also holding public meetings early in the process for public education/relations and address questions regarding the reductions from the community.

Marina Buell, parent and League of United Latin American Citizens (LULAC) President, received clarification on the impact of charter schools in the District.

Gary Wilmot, Marina resident and parent, said the Board needs to look at restructuring as it relates to how to run the District and basic operations so that it is more efficient, instead of reducing services. He said there is a need to focus on more teachers and salary increases.

Board Member LeBoeuf said the biggest part of the budget is personnel, and the only other area is to eliminate programs and cutting as far away from the classroom as possible.

Board Member Noriega said an action plan needed to be developed and designed on how to best solve the issue and to get there.

President Troutman said she would like to have the Budget Advisory Committee and the Superintendent's Advisory expanded and to begin the process in January to determine who will be on the committees and to schedule meetings.

Dr. Callahan said the committee meetings are already scheduled. He clarified that the Board direction is for staff to come to the November 24 Peninsula Governance Collaborative and gather the Board's and the community member's ideas about who they might wish to add to the committees and any other thoughts from the Board related to the tentative timeline that Mr. Burnis presented. Dr. Callahan acknowledged the work of Mr. Burnis, Fiscal Services Director Bruce Colby, and the Business Office for their work with the budget. He reminded that the District needs to be kept solvent, and reminded that the numbers presented are the middle ground numbers. He said the worse case scenario is if the State doesn't fix its budget problems and suspends Proposition 98.

- Short-Term Facilities Utilization, 2004-2005
- Housing Development and Enrollment Growth Projections Through 2020
- Facilities Utilization and Development Over the Mid-Term (5-8 Years), and Long Term (8-16 Years)

Dr. Callahan reviewed information regarding short- and long-term facilities utilization and development, the composition of the Superintendent's Advisory Committee, and clarified questions from Board members and the audience. He asked for direction to expand the current Superintendent's Advisory to include a selection of developers, city and county planners, California State University Monterey Bay, chamber of commerce, and other community representatives. He said he spoke to city managers and they concurred on a discussion about the potential for affordable housing on District properties at the December 8 collaborative. He said the process for facilities utilization would be to hold meetings twice monthly to bring recommendations to the Board for "Facilities Utilization/Configuration" for 2004-2005 by March 1, 2004. Dr. Callahan spoke about the process for facilities development and setting a tentative target date for the opening of a new Marina high school for fall 2009. There was discussion regarding growth in the northern part of the District.

Board Member Eggers said he also wanted to look at elementary and middle schools in the northern part of the District. He felt there would be a need for them before a high school. He also asked for a commitment for an elementary site in the planning process so when a development is completed, there will be space for the children to attend school.

Board Member LeBoeuf concurred, and added the City of Seaside is also concerned about their children being bussed to Monterey.

After further discussion, it was the consensus of the Board to expand the two committees and that a Board member would serve as an ex-officio member.

Helen Rucker, Seaside resident, thanked Mr. Wilmot for looking "out of the box," and suggesting the restructuring of the District. She referred to the bussing of Seaside children to Monterey and said if it is too costly, the District should look at eliminating busing and opening up neighborhood schools.

Mr. Wilmot spoke about the growth in the northern part of the District and said if it takes six to eight years to plan for a high school, the District is too late. He said a city must be able to contain its students and developers won't wait.

Mr. Graddy referred to the number of students going to charter schools and said the District will have to market MPUSD or there will be a constant drain in average daily attendance.

Board Member Foss referred to the fast growing areas in Salinas, and said if the District had a magnet program or academies in the northern part of the District, it might attract students interested in specialty programs.

**SUGGESTIONS AND  
COMMENTS FROM MEMBERS  
AND OFFICERS OF THE  
BOARD AND  
BOARD MEMBER REQUEST(S)  
FOR INFORMATION AND/OR  
POSSIBLE FUTURE AGENDA  
ITEMS**

There was discussion to place a proposal to support Measure Q on the next agenda. (consensus)

**ADJOURNMENT**

The meeting adjourned at 10:17 p.m.

Respectfully submitted,

Daniel Callahan, Ph.D.  
Executive Secretary

DC/jif

\*MSC-Motion/Second/Carried