

LA HONDA-PESCADERO UNIFIED SCHOOL DISTRICT
360 Butano Cut Off
Pescadero, California 94060

BOARD OF TRUSTEES
BOARD MEETING
District Board Room
Thursday, August 21, 2014

MINUTES

1. CALL TO ORDER 6:00

The meeting was called to order by President Andy Wilson at 6:06pm

2. ADJOURN TO CLOSED SESSION

- a. Personnel
 - 1. Hiring of certificated personnel
 - 2. Hiring of classified personnel

3. RECONVENE TO OPEN SESSION 7:00

The meeting was reconvened to open session at 7:00pm all Trustees present

- a. Pledge of Allegiance

4. REPORT ON ACTION TAKEN IN CLOSED SESSION

*The Board President will report on the action, if any, taken by the Board during Closed Session
President Wilson reported that in closed session the board unanimously approved the hire of 2
certificated employees: Keven Allen, Middle School English Language Arts and Jennie Dahl, After
School and 1 classified employee: Cleotilde Perez, Community Liaison.*

5. CHANGES TO THE ORDER OF THE AGENDA

Superintendent asked to move 11.a. up to after the consent calendar

6. COMMUNICATIONS FROM THE PUBLIC

- a. *Written correspondence received by the Board or Superintendent
Trustee Bohacek received information regarding Assembly Bill #146. Really need to contact your
representatives and encourage them to repeal this Bill.*
- b. *Open Forum: Persons wishing to address the Board on an item that is not on the agenda may
do so during Open Forum. To be recognized, fill out a speaker card completely and give it to
the Board Clerk. Board agendas are full and presentations in Open Forum are limited to a
maximum of three minutes. Board members are legally prohibited from discussing items
presented in Open Forum*

7. PUEENTE REPORT

*Written and/or oral monthly update of activities and programs
Report by Kerry Lobel regarding the happenings of Puente. Such a Summer Youth Employment
Program, field Trips, Summer School, One on One meeting with Academic Director, training
sessions, paid internships, Camps for Community Children, Early Childhood Education.
A full report is attached to these minutes.
For more information and updates or how you can get involved please see their website at
puentedelacostasur.org*

8. CONSENT CALENDAR

All items on the consent calendar will be approved with one motion that is not debatable and requires a unanimous vote for passage. If a Board Member or the Superintendent requests that an item be removed, or a member of the public wishes to speak on an item, the item will be removed from this section and placed in the regular order of business.

- a. Approve warrants for the month of June and July, 2014
- b. Approve minutes of the Regular Board Meeting of June 24, 2014
- c. Approve minutes of the Special Board Meeting of July 7, 2014
- d. Approve athletic staff for Pescadero High School
- e. Approve the Phase 1 of the LHPUSD Consolidated Application for 2014-2015
- f. Approve Consulting Contract for Specialized Services for **Casey Norton** in the amount not to exceed \$2200 to provide professional services for a shed at LHE to house maintenance equipment.
- g. Approve Consulting Contract for Specialized Services with **Coastside Pediatric Therapy Center** as District Occupational Therapist (80 hours at \$120/hour) total contract not to exceed \$9,600.
- h. Approve additional specialized services for Panther Camp youth aides to **Puente** at the amount not to exceed \$1200.00.
- i. Approve contract with **Casey Norton** to provide specialized academic intervention services to Title III students in the amount not to exceed \$5000 to be paid from Title III funding source.
- j. Approve contract with **Nichole Makaelian** to provide specialized services in Food Lab instruction for PES, PMS, PHS and LHE in the amount not to exceed \$3,600 to be paid for by a grant from Center for Ecoliteracy.
- k. Approve contract with Arsenio Ortega, P.E. for fire alarm design for the new PHS/PMS portable in the amount not to exceed \$3000.00.

Connie Sarabia made a motion to approve the consent calendar

Humberto Perez seconded the motion

Motion passed 5-0

11. a. Discussion of district bond program.

Presentation by Mr. Albert Peche, A. M. Peche' & Associates LLC, Financial Advisor.

District staff and Financial Advisor Albert Peche have conducted a study to examine refinancing existing bond debt incurred by the 2009 Bond Series as well as the possibility of the issuance of new debt.

(Please see the attached PowerPoint presentation)

9. DISTRICT REPORTS

- a. Director of Facilities Report
 1. Status of summer maintenance projects

Director of Facilities, Andy LaGow reported on the summer projects.

Paving projects and tripping hazards are done at LHE & PES. At PHS have had some scheduling issues and quotes are high. New portables are in process - working with DSA.

New Chromebooks arrived Friday

Internet / bandwidth Comcast on hold for two months

- b. Superintendent report:
 1. Common Core Update- Report on Math Demonstration Site Grant: Realizing the Opportunity of the Common Core State Standards in Mathematics to Transform Student Engagement and Achievement in Silicon Valley

Superintendent Amy Wooliever reported

Last year LHPUSD was selected as part of a collaborative with SSF and Cabrillo to be a math demo site grant for implementation of Common Core. This is not a grant that gives funding it provides services (provides special development and access to high quality resources from the Dana Center, Silicon Valley Community Foundation and Agile Mind.

Year one was focused on leadership teams at the schools (HMB, SSF and LHPUSD) those teams came together in sessions at the Dana Center. Focusing of the work being on the strengthening of our system and structure the support team.

Year two will be focused on moving to the classroom all math teachers will be in 5 days of professional development learning a collaborative learning and teaching model.

Mr. Chris Brancart asked to address the board on Agenda item 9.b.2.1. All day Pre K – need for assessment and parental engagement.

2. Broken Promises report update

1. All-day PreK and Big Lift

Amy Wooliever, Superintendent reported on both the All-day Pre K and Big Lift.

Big Lift is a partnership with The Peninsula Partnership Leadership Council (PPLC), led by the San Mateo County Superintendent of Schools, the County Board of Supervisors and the Silicon Valley Community Foundation, has adopted the overall goal of increasing countywide reading proficiency of third grade students from 58% to 80 % by 2020.

The overall strategy is to pursue a "Big Lift" on educational outcomes by collaborating to make big system and policy changes. These policy changes are primarily two-fold:

Provide two years of quality preschool for underserved 3- & 4-year olds

Make full-day kindergarten standard in the county (LHPUSD has full day Kindergarten we are looking to expand our Preschool)

Sustaining progress and improving educational outcomes for the Big Lift will be made through:

- School Readiness: a goal of increasing children ready for kindergarten from 50% to 80%*
- Attendance Matters: a goal of reducing the incidence of chronic absenteeism by 50%*
- Inspiring Summers: a goal of 80% of kids who are reading below grade level attending a quality summer enrichment program*
- Family and Community Engagement: a goal of strengthening approaches and strategies to ensure greater family engagement*

3. Report on new website and parent portal

With the help of teacher, Wayne Johnson, the website has gone live. Thank you Mr. Johnson.

When going to the website you must put www.lhpUSD.com. Still fixing some little things here and there but it is up. District and Pescadero High school are fully populated. The Elementary schools are close.

c. Principal Reports

1. Report on opening of school

Kristen Lindstrom, Erica Hays and Pat Talbot all reported on the opening of their school sites and on the upcoming Back to school nights.

LHE – Aug. 27th /PES – Aug. 28th /PM/HS – Aug. 27th

2. Report on after-school program interventions at PMS/PHS

Pat Talbot reported on the after school program for PMS/PHS

3. Report on Summer programs

1. Valdes Math Institute

Pat Talbot reported on the Valdes Math Institute. 28 students initially applied for the program, 26 actually started and 23 completed. (You could only miss 2 days. The program was a 7 week program for 7 hours per day. Bus picked up in the morning at 6:30 to get to Stanford. Didn't get home until 5pm and then 2 hours of homework).

2. Panther Camp/Kickoff to Kinder

Kristen Lindstrom reported. Panther Camp had an average of 65 students. Puente youth helped in the classrooms as well as in the kitchen. Activities included Food Lab, pool, Kick off to Kinder was also a success.

3. PHS Credit Recovery

Pat Talbot – Cyber High is an online curriculum that assists students in earning credits toward high school graduation.

11. BOARD DISCUSSION AND/OR ACTION

- a. Discussion of district bond program

This Item was moved up to after the consent calendar

- b. Consider approval of district Parcel Tax budget for 2014-2015

***Connie Sarabia made a motion to approve the district Parcel Tax budget for 2014-15 as presented
Bob McCahon seconded the motion
Motion passed 5-0***

- c. Consider approval of the district-wide No Bully policy and implementation.

***Peter Bohacek made a motion to approve the district-wide No Bully policy and implementation.
Humberto Perez seconded the motion
Motion passed 5-0***

- d. Consider approval of La Honda Elementary Single Plan for Student Achievement.

***Peter Bohacek made a motion to approve the LHE Single Plan for Student Achievement.
Humberto Perez seconded the motion
Motion passed 5-0***

Chris Brancart asked to address the board on Agenda Item 11.e. – revised calendar good start but issues of concern.

- e. Consider approval of revised 2014-2015 academic calendar

***Peter Bohacek made a motion to approve the revised 2014-2015 academic calendar.
Connie seconded the motion
Motion passed 5-0***

12. COMMITTEE REPORTS

- a. Parcel Tax Oversight Committee

No Report

- b. Bond Oversight Committee

No Report

13. INFORMATION ITEMS

The following items are included in the Board packet as informational items only. They are not scheduled for discussion unless requested by a Board member or the Superintendent.

- a. Article from the Half Moon Bay Review, dated July 24, 2014, titled, *South Coast Kids add math skills at Stanford*
- b. Article from the Half Moon Bay Review, dated July 24, 2014, titled, *No challengers emerge for Cabrillo school board*

14. COMMENTS OF THE BOARD AND SUPERINTENDENT

Board members and Superintendent may comment on the Board meeting and other topics of interest
Superintendent Wooliever – LCAP approved at the county level.
President Wilson – wanted to echo Peter Bohacek in Urging people to contact legislature and ask them to repeal the Cap on the reserve.

15. FUTURE AGENDA ITEMS

- a. Five-year deferred maintenance plan
- b. Revise district goals

16. ADJOURNMENT

Note: The next regular meeting of the Board of Trustees is scheduled for Thursday, September 11, 2014 at 6:00 pm at the District Board Room in Pescadero.

Connie Sarabia made a motion to adjourn the meeting

Humberto Perez seconded the motion.

Motion passed 5-0

Meeting adjourned at 9:48pm

PUBLIC NOTICE: Openings on Bond Oversight Committee

The Governing Board is seeking volunteers willing to serve the school district as a member of the Bond Oversight Committee.

For more information please contact the District Office at 879-0286.

PUBLIC NOTICE: Openings on Parcel Tax Oversight Committee

The Governing Board is seeking volunteers willing to serve the school district as a member of the Parcel Tax Oversight Committee.

For more information please contact the District Office at 879-0286.



Report to LHPUSD Board

Thursday, August 21, 2014

Summer Youth Employment Program

30 youth joined Puente's Summer Youth Program this summer

- **Field Trips**
 - Travel Club about Guatemala and Uzbekistan (information session about each country as well as opportunities to sample cuisine)
 - Visit to Law Firm Winston and Strawn, LLP in San Francisco
 - Bus Tour of San Francisco
 - Service Now (Cloud Company in Santa Clara)
 - Laser Tag
 - Tour of the murals in the Mission District
 - Visit to Univision to learn about sales, marketing, engineering and production
 - Visit to Google
 - Visit to the Capitol Building in Sacramento, meeting with district representatives and attending the Assembly in session
 - Great America
 - El Teatro Campesino in San Juan Bautista to see the play Heart of the Valley (at end of August)

- **Summer School**
 - Puente hired Mariela Lopez to coordinate summer studies for 9 students taking cyber high. In addition, Shannon White, a volunteer from Indiana and High School History/English teacher helped tutor for two weeks.

- **One-on-One Meetings with Academic Director**
 - Discussed progress toward achieving academic and career goals

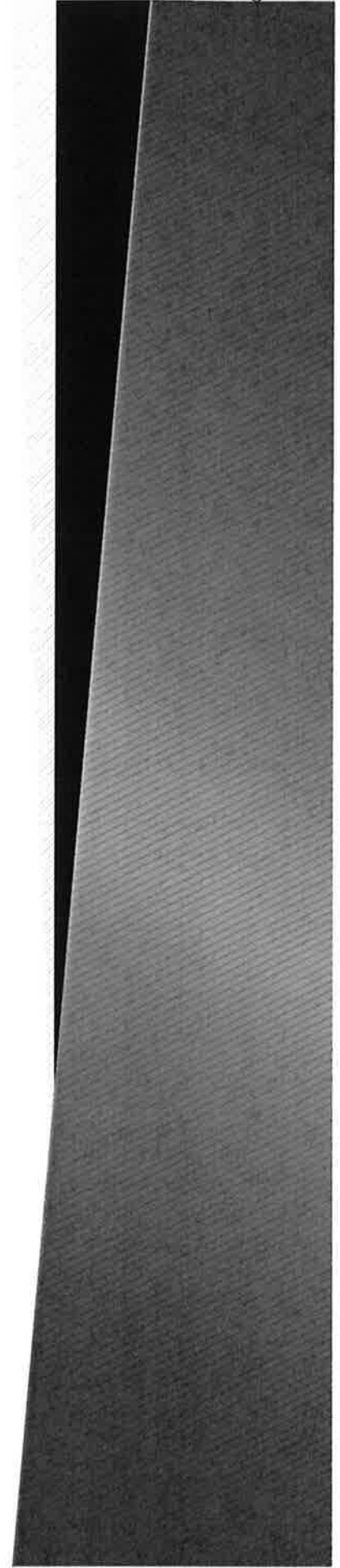
- **Training sessions**
 - A-G Requirements, Seal of Biliteracy, College Panel

- **Paid Internships**
 - La Honda-Pescadero Unified School District
 - Panther Camp
 - Kick-off to Kindergarten
 - District Kitchen
 - South Coast Children's Services
 - Pie Ranch Chef

La Honda-Pescadero USD

Bond Refinancing and Money for New Projects

August 21, 2014
A. M. Peche' & Associates LLC



Background

- ▶ On November 7, 2006 over 70% of voters of La Honda-Pescadero USD approved Measure I
 - Board approved Financing Team contracts with Jones Hall as Bond Counsel, RBC as Underwriter and Peche' & Associates LLC as Financial Advisor in the summer of 2006 before the bond election

- ▶ Authorized the sale of up to \$15 million of GO Bonds for various projects named in the ballot initiative.
- Measure I was issued under Proposition 39 criteria
 - Prop. 39 was passed by California voters in November 2000
 - Limits the tax rate for unified districts to \$60 per \$100,000 of assessed value (not market value)
 - The \$60 per \$100,000 of assessed value (AV) test is made at closing of the bonds on reasonable projections of AV

Glossary

- ▶ **Average Life** – The average length of time an issue is expected to be outstanding reflecting that half of the total principal and interest has been paid
- ▶ **Bonds** – Are sold in \$5,000 denominations and repaid at their specific maturity date. Can be sold as Current Interest Bonds or Capital Appreciation Bonds
- ▶ **Capital Appreciation Bonds** – Also known as “CABs”. These bonds do not pay interest until they mature. When they mature, they pay all the interest accrued and principal amount
- ▶ **Current Interest Bonds** – These bonds pay interest semi-annually. When these bonds mature, they pay the last semi-annual interest payment and the \$5,000 principal amount
- ▶ **Payback Ratio** – Total principal and interest divided by the principal of the bond issue
- ▶ **Statutory Limits on Tax Rate** – Under Proposition 39, Unified Districts are limited to a tax rate of \$60 per \$100,000 at the time of the bond issuance

District Bond Issuance History

- ▶ In March 2007, District issued \$3 million of GO Bonds, Series 2007A. Used all current interest bonds with a payback ratio of 1.77 to 1. Moody's rating was "Baa1" and Fitch was "A-"
- ▶ In March 2009, District issued \$2,853,561 of GO Bonds, Series 2009B. Used 22 years of CABs and then current interest bonds with a payback ratio of 2.75 to 1. Moody's rating was "Baa1" and Fitch was "BBB"
- ▶ There remains \$9,146,481 of GO authorization. Current ratings are Moody's "A1" and Fitch "A"



District Historical Assessed Value

Assessed valuation (AV) is important because the higher the AV, the lower the tax rate. Here is the historical AV

▶ 2007-08	579,963,222	3.87%
▶ 2008-09	602,390,148	1.39%
▶ 2009-10	610,735,975	0.66%
▶ 2010-11	614,782,047	0.81%
▶ 2011-12	619,745,998	7.68%
▶ 2012-13	667,333,390	3.86%
▶ 2013-14	693,111,005	3.00% Projected
▶ 2014-15	713,904,335	

Source: California Municipal Statistics, Inc. except for 2014-15 AV which is projected



Information on Tax Rates

Tax rates are set by the County Auditor Controller and are dependent upon the debt service on the Bonds and on the AV of the District. These are the tax rates per \$100,000 of AV

- ▶ 2007-08 \$21.80
- ▶ 2008-09 \$53.50
- ▶ 2009-10 \$54.20
- ▶ 2010-11 \$52.70
- ▶ 2011-12 \$58.20
- ▶ 2012-13 \$57.20
- ▶ 2013-14 \$52.40

Source: San Mateo Auditor Controller's Office.



Refinancing Opportunity

- ▶ Based on current interest rates, the current interest term bonds maturing on March 1, 2034 from the Series 2009B can be refinanced with savings
 - Because these bonds cannot be called until March 1, 2009, this would be an “advance refunding” whereby the proceeds of a new issue would be put in an escrow that would make interest payments when they become due before they are paid off in full on March 1, 2034. The escrow makes all future payments on these bonds and the District is no longer obligated to make payments on these bonds
 - Based on current interest rates a refinancing of these bonds would produce a savings of \$414,998 without extending the maturity of the bonds
 - This is a present value savings (in today’s dollars) of \$272,305 or 16.5% of the refunded bonds. An industry “rule of thumb” is to have at least 3% of present value savings for an economic refinancing
 - This savings would open up capacity for debt service on a new bond issue that would keep the tax rate below the Prop. 39 requirement of \$60 per \$100,000 of assessed value
 - The refinancing issue would not count against the remaining \$9.1 million authorization

Money for New Projects

- ▶ Based on current interest rates and AV projections, the District can issue a new Bond issue and have approximately \$2.25 million to \$2.5 million for new projects
- The new Bond issue would be a 30 year bond with CABs for the first 21 – 25 years and a current interest term bond in 2044
- The new Bond would have an average life of 23.8 years and the estimated payback ratio would be 2.63 to 1
- The CABs are necessary to keep the tax rates below the \$60 per \$100,000 threshold
- New legislation must be followed when issuing CABs
 - Two Board meetings must be held to discuss need for CABs
 - CABs with a maturity of more than 10 years must be callable
 - CABs cannot have a maturity of more than 25 years
 - Payback ratio cannot exceed 4 to 1

La Honda-Pescadero Unified School District
General Obligation Bond Tax Analysis
2006 Election Estimated Tax Rate per \$100,000

Bond Year Ending	Projected Assessed Valuation	Projected Available Revenue	2006 Election, Series 2007A Debt Service	2006 Election, Series 2009B Debt Service	2006 Election, Series 2014C Debt Service (1)	Total Annual Debt Service	Projected Tax Rate Per \$100,000 of AV
08/01/2013	667,333,390	399,733	199,578	141,125	-	340,703	57.20 *
08/01/2014	693,111,005	415,173	191,178	156,125	-	347,303	52.40 *
08/01/2015	713,904,335	427,629	192,678	166,125	-	358,803	50.27
08/01/2016	735,321,465	440,458	193,978	176,125	59,250	429,353	58.45
08/01/2017	757,381,109	453,671	195,078	191,125	64,250	450,453	59.49
08/01/2018	780,102,542	467,281	196,083	201,125	69,250	466,458	59.81
08/01/2019	803,505,619	481,300	196,338	216,125	64,250	476,713	59.26
08/01/2020	827,610,787	495,739	195,713	231,125	64,250	491,088	59.30
08/01/2021	852,439,111	510,611	194,838	246,125	69,250	510,213	59.87
08/01/2022	878,012,284	525,929	193,713	261,125	69,250	524,088	59.70
08/01/2023	904,352,653	541,707	197,128	271,125	69,250	537,503	59.35
08/01/2024	931,483,232	557,958	195,081	291,125	69,250	555,456	59.64
08/01/2025	959,427,729	574,697	192,778	306,125	74,250	573,153	59.75
08/01/2026	988,210,561	591,938	195,091	321,125	74,250	590,466	59.76
08/01/2027	1,017,856,878	609,696	192,019	341,125	74,250	607,394	59.68
08/01/2028	1,048,392,584	627,987	193,563	361,125	69,250	623,938	59.44
08/01/2029	1,079,844,362	646,827	194,594	376,125	74,250	644,969	59.74
08/01/2030	1,112,239,693	666,232	190,241	401,125	74,250	665,616	59.85
08/01/2031	1,145,606,884	686,219	190,503	416,125	79,250	685,878	59.88
08/01/2032	1,179,975,090	706,805	210,253	436,894	59,250	706,397	59.87
08/01/2033	1,215,374,343	728,009	-	667,294	59,250	726,544	59.89
08/01/2034	1,251,835,573	749,850	-	688,463	59,250	747,713	59.73
08/01/2035	1,289,390,640	772,345	-	-	764,250	764,250	59.61
08/01/2036	1,328,072,359	795,515	-	-	794,250	794,250	59.81
08/01/2037	1,367,914,530	819,381	-	-	819,250	819,250	59.89
08/01/2038	1,408,951,966	843,962	-	-	839,250	839,250	59.56
08/01/2039	1,451,220,525	869,281	-	-	869,250	869,250	59.90
08/01/2040	1,494,757,141	895,360	-	-	504,250	504,250	33.57
08/01/2041	1,539,599,855	922,220	-	-	493,125	493,125	32.02
08/01/2042	1,585,787,851	949,887	-	-	490,375	490,375	30.92
08/01/2043	1,633,361,486	978,384	-	-	281,875	281,875	17.17
08/01/2044	1,682,362,331	1,007,735	-	-	-	-	-
08/01/2045	1,732,833,201	1,037,967	-	-	-	-	-
08/01/2046	1,784,818,197	1,069,106	-	-	-	-	-
08/01/2047	1,838,362,743	1,101,179	-	-	-	-	-
08/01/2048	1,893,513,625	1,134,215	-	-	-	-	-
08/01/2049	1,950,319,034	1,168,241	-	-	-	-	-
08/01/2050	2,008,828,605	1,203,288	-	-	-	-	-
08/01/2051	2,069,093,463	1,239,387	-	-	-	-	-
08/01/2052	2,131,166,267	1,276,569	-	-	-	-	-
			<u>4,098,298</u>	<u>6,995,150</u>	<u>7,151,625</u>	<u>18,245,073</u>	

Debt service based on an 18 month tax levy schedule

*Actual tax rate

(1) Preliminary Estimates

The 2013-14 A.V. is \$693,111,005

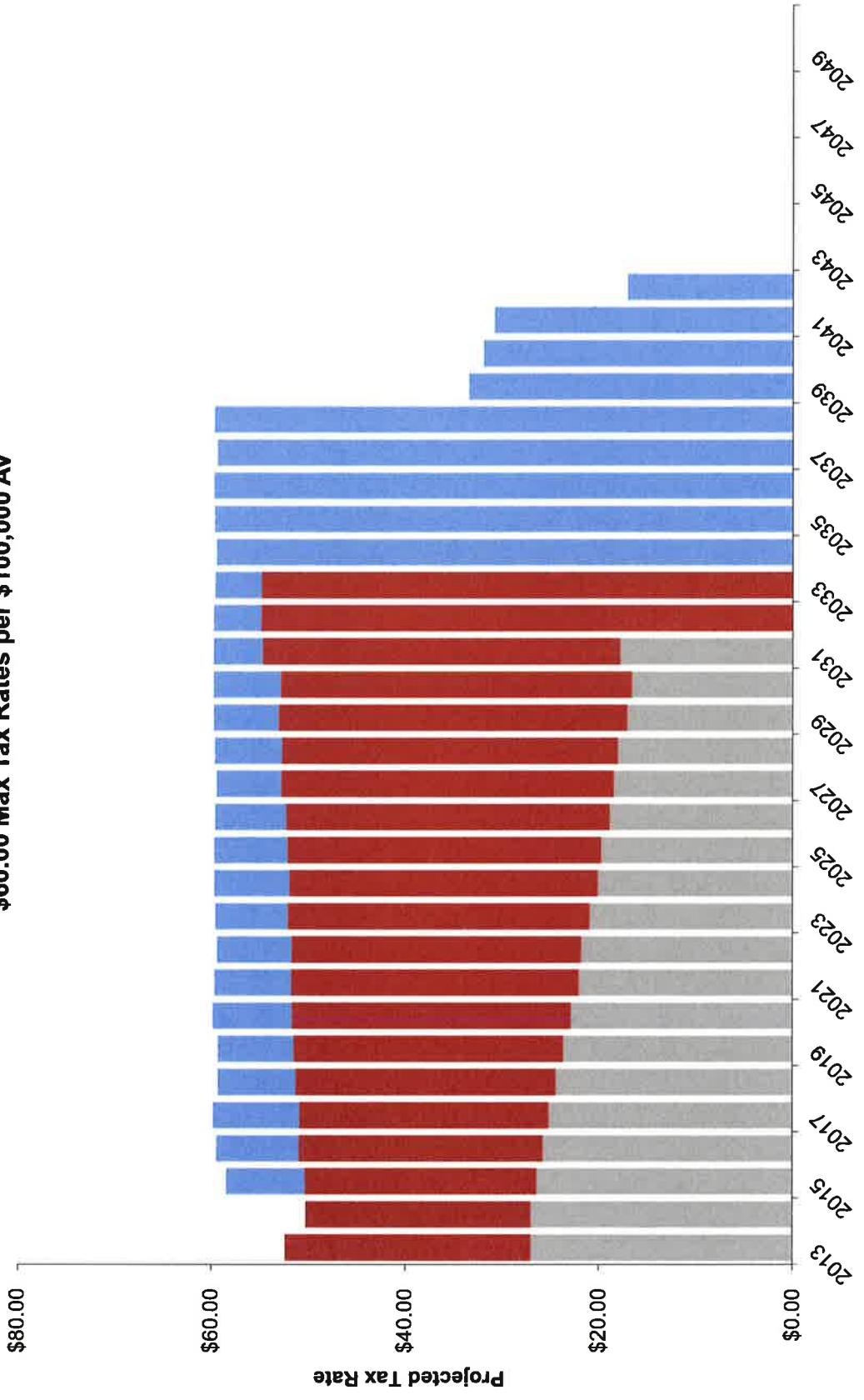
Assumed A.V. Growth Rate:

2005-06	7.97%	Actual
2006-07	6.95%	Actual
2007-08	4.78%	Actual
2008-09	3.87%	Actual
2009-10	1.39%	Actual
2010-11	0.66%	Actual
2011-12	0.81%	Actual
2012-13	7.68%	Actual
2013-14	3.86%	Actual
2014-15	3.00%	Estimated
2015-16	3.00%	Estimated
Thereafter	3.00%	Estimated



RBC Capital Markets

**La Honda Pescadero Unified School District
2006 Election General Obligation Bond Tax Rate Analysis
\$60.00 Max Tax Rates per \$100,000 AV**



Effect on Tax Rates

- ▶ Bonds should be sold between January and August so that the debt service schedule can be sent to the County Auditor Controller to go on the September tax bills. Taxes are then collected on December 10 and April 10 to make the debt service payments
- ▶ See “General Obligation Bond Tax Analysis” to see the effect on tax rates
- ▶ See “\$60 Max Tax Rates per \$100,000 of AV” to see a bar graph of tax rates per Series of Bonds

Next Steps

New Money

- ▶ District should take steps towards identifying a new project. This would include hiring an architect, providing a draw schedule, getting approval for matching funds (if any) and Board action that it plans to undertake the Project
- ▶ The Project should have a useful life of at least 19 years to conform with the IRS rule that the average life of Bonds (which is expected to be around 24 years) cannot exceed 120% of the useful life of assets being financed
- ▶ New Bond issuance process can start in December or January and should take approximately 2 to 3 months to complete

Refinancing

- ▶ District can decide to do the refinancing Bond now OR wait to do the new money Bond and the refinancing bond together