

**APPROVED MINUTES
ALUM ROCK ELEMENTARY SCHOOL DISTRICT
2930 Gay Avenue
San Jose, CA 95127**

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
of the Alum Rock Union School District
Held on Thursday, January 17, 2019, 5:30 p.m. at the Alum Rock Union School
District Office Board Room, 2930 Gay Avenue, San Jose, CA 95127
Meeting #07-18/19**

1. OPEN SESSION

1.01 Call to Order / Roll Call

President Linda Chavez welcomed everyone in the audience. President Linda Chavez called the Board Meeting to order at 5:30 p.m. followed by Roll Call.

Board Members Present:

Linda Chavez	President
Ernesto Bejarano	Vice-President
Dolores Marquez-Frausto	Clerk
Andrés Quintero	Member
Vacant Seat	Member

Administrative and Support Staff Members Present:

Dr. Hilaria Bauer	Superintendent
Rene Sanchez	Assistant Superintendent, Instructional Services
Jess Serna	Interim Assistant Superintendent, Human Resources
Kolvira Chheng	Assistant Superintendent, Business Services
Marie Sanchez	Sr. Executive Assistant, Superintendent's Office
Angel Rodriguez	Executive Assistant/Communications Support, Superintendent's Office

President Linda Chavez welcomed everyone and led the Pledge of Allegiance at this time.

1. OPEN SESSION (*continued*)

1.02 Announcement and Public Comments Regarding Items to be Discussed In Closed Session

President Linda Chavez announced the items that would be discussed in Closed Session.

1.03 The Board will Adjourn to Closed Session at Approximately 5:35 p.m.

The Board recessed to Closed Session at 5:32 p.m. President Linda Chavez announced that the Board would reconvene to Open Session at approximately 6:30 p.m.

3. RECONVENE TO OPEN SESSION

3.01 Call to Order / Pledge of Allegiance

The Board reconvened to Open Session at 6:28 p.m. President Linda Chavez welcomed everyone and took a second Roll Call in which all Board Members were present with the exception of the vacant seat.

3.02 Report of Action Taken in Closed Session

President Linda Chavez reported that there was nothing to report from Closed Session.

3.03 Agenda Review and Adoption

President Linda Chavez reported all the following items would be moved to follow *Agenda Item 6.06 Comments and Communication-Board of Trustees*.

Agenda Items:

8.01 Resignation of Trustee Karen Martinez

8.02 Board Vacancy, Process, and Timeline

8.03 The Board will determine the Protocol, Vetting, and Selection of the Proposed New General Counsel

10.05 Resolution No. 20-18/19 Update Agreement between the ARUSD Governing Board and Santa Clara County Superintendent of Schools Regarding necessary revisions for Compliance with Statutory Budget Requirements in Conjunction with the Local Control Accountability Plan

12.03 Southwest Key Programs, Inc., Contract

12.12 Resolution No. 16-18/19, African-American History Month

12.15 SCCOE-Amendment to Co-Op Pilot Preschool Program: Painter Elementary

3. RECONVENE TO OPEN SESSION *(continued)*

3.03 Agenda Review and Adoption

There was consensus from the Board to accept the agenda as amended.

4. SPECIAL PRESENTATION

4.01 Long-Term Substitute Paraprofessional at Painter

Superintendent Hilaria Bauer reported that the paraprofessional employee that was scheduled to be recognized at tonight's meeting was not in attendance due to illness. This agenda item would return for the February meeting.

5. PUBLIC MEMBERS WHO WISH TO ADDRESS THE BOARD

5.01 Requests to Address the Board

Public Comments:

- 1) Ray Mueller – Community member, congratulated the new board members that came on board.
- 2) Robert Alvarez – KIPP teacher, congratulated the newly-elected board members and extended an invitation to visit the KIPP facility. He commented that he would like to keep the good partnership with the district as it has been throughout the past years.
- 3) Peter Ortiz – Newly-elected board member from the Santa Clara County Office of Education, commented he wanted to introduce himself and congratulated the newly-elected board members. He commented that he is looking forward to working with them.
- 4) Andrea Flores-Shelton – Former board member, spoke in opposition of *Agenda Item 12.03 Southwest Key Programs, Inc., Contract*. She commented that she hoped the Board would not take action to approve this terrible contract. This is a company that is responsible for housing youth students at the boarder.

President Linda Chavez reported that *Agenda Item 12.03 Southwest Key Programs, Inc., Contract* was earlier pulled from the agenda because it was going to be completely removed.

- 5) Dilza Gonzalez – Community member, spoke in opposition of *Agenda Item 12.03 Southwest Key Programs, Inc., Contract*. She commented she was happy to know that this contract was being removed. She gave thanks to Member Andrés Quintero for previously pointing out some of the concerns related to this organization.

6. COMMENTS AND COMMUNICATION

6.01 Teamsters

There were no representatives from Teamsters at this time.

6.02 California School Employee's Association (CSEA)

There were no representatives from CSEA at this time.

6.03 Alum Rock Administrator's Association (ARAA)

Ms. Raquel Katz, ARAA Vice-President, shared a few highlights. On behalf of ARAA, she gave thanks to the MOT Department for their work in preparing the schools for the opening of school after the holidays. Congratulations to Ms. Mariela Balbuena, 7th grade George student, for the Every Student Succeeding Award. ARAA is moving forward with the ACSA staff recipient awards. She extended an invitation for the Farm to Table TK Event on January 25, 1 p.m. and the Mini Parent University Event on February 6, 1 p.m., both at Ryan STEAM Academy.

6.04 Alum Rock Educator's Association (AREA)

President Linda Chavez apologized to Ms. Jocelyn Merz for not allowing her ample time to report out at the previous board meeting. Ms. Jocelyn Merz accepted her apology.

Jocelyn Merz, AREA President, gave highlights as follows:

- 1) The Board should really review and discuss the board vacancy process thoroughly
- 2) She does not believe we need a special election because they are very expensive and this would allow other members to get back in the seat.
- 3) In her opinion, the next board member should be appointed but the best solution would be to appoint the next highest vote-getter, Mr. Ray Mueller; AREA endorses him. She explains her reasons for this comment.
- 4) The Alum Rock Coalition – 2018 Change Maker Award

6.05 Superintendent

Superintendent Hilaria Bauer wished a Happy New Year to the audience. She shared that she had been blessed during the holidays spending time with family. She reported that during the first day back to school, both she and Assistant Superintendent Rene Sanchez went to visit the schools to check on the facilities ensuring they were ready. She commented that looking at the students as they walked back into the classroom reminded her of how blessed she is to be serving the Alum Rock community. She commented that, in her opinion, this is the best community – let's have a great year!

6. COMMENTS AND COMMUNICATION *(continued)*

6.06 Board of Trustees

Vice-President Ernesto Bejarano also wished the audience a Happy New Year. He reported that both he and President Linda Chavez recently attended an informative and valuable training provided by the SCCOE for newly-elected board members. He shared that during the holidays, he reflected on his community. He wants his community and district to move forward.

Clerk Dolores Marquez-Frausto wished the audience a Happy New Year. She commented that she had been sick during the holidays.

Member Andrés Quintero gave thanks to the community for its involvement and support in the election. He spoke about a former student that had recently been recognized at an event. Member Andrés Quintero thanked the newly-elected SCCOE board member for visiting Alum Rock.

President Linda Chavez shared that she recently attended an event at Silicon Valley Education Foundation where she learned about the values of education. She also gave thanks to the former board members that were in the audience for attending the board meetings and supporting the community.

8. SUPERINTENDENT / BOARD BUSINESS

8.01 Resignation of Member Karen Martinez

MOTION #07-01 by Member Andrés Quintero to accept the resignation of former Member Karen Martinez. MOTION #07-01 was seconded by Vice-President Ernesto Bejarano.

Member Andrés Quintero asked Superintendent Hilaria Bauer to clarify the actual date of resignation. Superintendent Hilaria Bauer reported the resignation date was December 15, 2018.

President Linda Chavez gave thanks to former member Karen Martinez for her dedication and support to the families of Alum Rock and wished her success in her new endeavor!

MOTION #07-01 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.02 Board Vacancy, Process, and Timeline

Member Andrés Quintero encouraged his colleagues to move forward with the appointment of the vacant seat. Superintendent Hilaria Bauer reported that within 60 days of the date of the vacancy or the filing of the member's deferred resignation, either the District requests a special election or makes a provisional appointment and the 60 days are up on February 12, 2019.

Mr. Manuel Martinez, Attorney, Lozano Smith, explained the complete process. He reported that if the District misses the February 12, 2019 deadline, the Santa Clara County Office of Education has the power to call for a special election and they will decide who to appoint.

Superintendent Hilaria Bauer briefly explained to the Board the former process used when a vacancy occurred in 2012.

MOTION #07-02 by Member Andrés Quintero to move forward with the Provisional Appointment and open the announcement of the vacancy placing it in the various newspapers from January 17 through January 31, with January 31 as the deadline, and returning on February 6, 6:30 p.m., for the interview and selection of the vacant seat. MOTION #07-02 was seconded by Vice-President Ernesto Bejarano.

Public Comments:

- 1) Natalie Dowd-Abal -- Community member, spoke in support of not having a special election because it would be too costly.
- 2) Tanya Freudenberger – Former board member, commented that the Board should consider Ray Mueller since he was on the top list of candidates, 4th in place and then gave her reasons for making this comment.
- 3) Dilza Gonzalez – Community member, commented that she strongly felt the community should take part in the selection of the board member – there were several parent groups to choose from.
- 4) Janet Odell – Community member and voter, commented that she felt Ray Mueller should take the vacant seat since he came in 4th from the election. She commented Ray Mueller would make a good board member.
- 5) Camille Llanes-Fontanilla – Community member, commented that the Board needs to be open with the process – this is now a very tight timeline.
- 6) Flor DeLeon – Community member, commented she felt the easiest course now was to appoint the next highest person since the remainder of the vacancy term was only 2 years and not 4. She reminded the audience that we did not want Khanh Tran or Esau Ruiz Herrera to return to influence our atmosphere in a negative way.

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.02 Board Vacancy, Process, and Timeline

- 7) Alison Cingolini – Community member, asked the audience to consider what the community has already vetted in the candidates. She felt it was in the best interest to nominate and appoint the 4th person from the election that the voters voted on. She felt the community should be considered to be part of the board vacancy process in order to continue to build the trust.
- 8) Frank Chavez – Former board member, commented he felt the board vacancy should be opened to new candidates within the community—all folks should have equal opportunity. The election is over and everyone needs to start from scratch.
- 9) Female speaker *(no name given)* – Community member, commented that the voters have already said who they want and this could be done tonight!

Vice-President Ernesto Bejarano stated that he liked the process that East Side Union High School District used when they had their vacancy; however, because of the short-timeline, this would not be possible now. He stated that he would like to have a set of objective standards that reflect the values of the community and Board in a very transparent people process and that we not judge candidates by if we like them or not.

Member Andrés Quintero agreed that he could welcome and support objective guidelines.

Attorney Manuel Martinez reported the following:

Any person, regardless of sex, who is 18 years of age or older, a citizen of the state, a resident of the school district, a registered voter, and who is not disqualified by the Constitution or laws of the state from holding a civil office, is eligible to be elected or appointed as a member of a governing board of a school district without further qualifications.

***MOTION #07-02 carried with a vote of 4 in favor; no opposition; 0 absent;
1 vacant seat; and no abstention***

The Board had more dialogue on the process and Attorney Manuel Martinez clarified some of their questions and concerns. He stated the majority board decision would be the final vote by the deadline date.

Additional Public Comments:

- 1) Victor Vasquez – Community member, offered some questions to be used for the candidates.

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.02 Board Vacancy, Process, and Timeline

- 2) Frank Chavez – Former board member, stated this was a simple process. The Board submits the questions to the Superintendent, she receives the applications; forwards them to the Board; then the interviews; and then the selection.
- 3) Tanya Freudenberger – Former board member, stated that the Board did not do anything for the past 30 days—waited too long and now is against the wall with a short timeline!
- 4) Ellen Turner – Community member, stated the best thing at this point was to select the 4th place winner from the election and move on.
- 5) Maria Martinez – Community member, commented the Board is not prepared for this. The community has a voice and needs to be included in the process.
- 6) Dilza Gonzalez – Community member, commented that it is the Board's responsibility to fill the vacant seat; however, the community needs to be part of the process in order to be transparent.
- 7) Andrea Flores Shelton – Former board member, commented that trust is very important and transparency equals trust! She reported she was a recipient in 2012 and went through this same board vacancy process then--it was rushed then as it is rushed now!
- 8) Camille Llanes-Fontanilla – Community member, asked the Board to utilize their partners that are present to develop the framework and start the process now.
- 9) Ray Mueller – Community member, gave thanks to everyone for their kind words. He commented that he has worked very hard to prepare for this and he will welcome any conversation that is decided on.
- 10) Brenda Zendejas – Community member, commented that the Board has already decided on a process. Everyone deserves an opportunity for a chance to fill the vacant seat. She shared that she would be applying for this vacant seat.

MOTION #07-03 by Member Andrés Quintero to incorporate a community forum on Monday, February 4, 2019, 6:00 pm, so the applicants that submitted applications are invited to participate, open to the public, and delegate the Superintendent to provide an opportunity for the applicants to share their qualifications and their viewpoints in an orderly manner and the Superintendent would work with organizations as she sees fit to facilitate the community forum. MOTION #07-03 was seconded by Vice-President Ernesto Bejarano.

Member Andrés Quintero commented that Human Resources will do the applicant's background check with the Registrar of Voters so that legal counsel is not utilized in order to save some dollars.

The Board had additional dialogue.

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.02 Board Vacancy, Process, and Timeline

Vice-President Ernesto Bejarano read the questions that were given to the candidates at the previous board vacancy out loud.

Vice-President Ernesto Bejarano commented that he wants to use the same questions at the public forum that were presented tonight for transparency purposes.

A FRIENDLY AMENDMENT TO MOTION #07-03 by Vice-President Ernesto Bejarano to use the same questions that were read tonight. Member Andrés Quintero accepted the FRIENDLY AMENDMENT TO MOTION #07-03.

Additional Public Comments:

- 1) Corina Herrera-Loera – Community member, reported that she is interested in applying for this vacant seat.
- 2) Victor Vasquez – Community member, mentioned about the new questions available in the bucket list.
- 3) Jocelyn Merz – AREA president, suggested they get the questions from the community.

MOTION #07-03 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention

Vice-President Ernesto Bejarano thanked the folks in the audience for working together during this dialogue.

President Linda Chavez announced and confirmed the dates:

- *Special Board Meeting/Community Forum, February 4, 2019, 6:00 p.m.*
- *Special Board Meeting, Selection of the Board Candidate, February 6, 6:30 p.m.*

8.03 The Board will determine the Protocol, Vetting, and Selection of the proposed new General Counsel

Assistant Superintendent Kolvira Chheng reported the District is in the process of seeking proposals for General Counsel with the goal of having the Board make a final decision at the February 14, 2019 board meeting. He reported that a copy of the RFP was sent directly to the following firms *(see next page)*:

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.03 The Board will determine the Protocol, Vetting, and Selection of the proposed new General Counsel

Atkinson, Andelson, Loya, Ruud & Romo	Lozano Smith
Berliner / Cohen	Orbach, Huff, Suarez & Henderson, LLP
Calpelra	Rehon & Roberts
Dannis Woliver Kelley	Ruiz & Sperow, LLP
Fagen, Friedman, Fulfrost	Santa Clara County Counsel
Hopkins / Carley	Shupe & Finkelstein
Littler Mendelson	

Assistant Superintendent Kolvira Chheng reported that this was advertised at CASBO and the scope of services would include, but not limited to the following items:

- Human Resources
- General Education Law
- Facilities Services
- Special Education
- Business and Procurement Services – Contract Support
- Governmental Relations

Timeline

Event	Date
RFP/Q Issued	Friday, January 11, 2019
Deadline for Submitting Questions	Friday, January 25, 2019
Proposal Due Date	Friday, February 1, 2019
Proposal Evaluation and Interviews of Selected Candidates <i>(if necessary)</i>	TBD
Board Meeting	Thursday, February 14, 2019

Clerk Dolores Marquez-Frausto asked to see the RFP that was sent out. Assistant Superintendent Kolvira Chheng reported this would be no problem and that he could provide it to the Board.

MOTION #07-04 by Clerk Dolores Marquez-Frausto to Table this agenda item until the full Board was on board. MOTION #07-04 was seconded by Vice-President Ernesto Bejarano.

Vice-President Ernesto Bejarano asked administration if we extend the vetting process, will we still have legal counsel.

8. SUPERINTENDENT / BOARD BUSINESS *(continued)*

8.03 The Board will determine the Protocol, Vetting, and Selection of the proposed new General Counsel

Superintendent Hilaria Bauer reported that part of the protocol was to wait until the 5th board member was present.

A FRIENDLY AMENDMENT TO MOTION 07-04 by Clerk Dolores Marquez-Frausto to first fill the vacant seat and extend the Interim Legal Counsel's Contract prior to selecting the permanent Legal Counsel. The FRIENDLY AMENDMENT TO MOTION 07-04 was accepted by Vice-President Ernesto Bejarano.

MOTION #07-04 carried with a vote of 3 in favor; no opposition; 1 temporarily absent (Vice-President Ernesto Bejarano stepped out of the room); 1 vacant seat; and no abstention.

10. BUSINESS

10.05 Resolution No. 20-18/19 Update Agreement between the ARUSD Governing Board and Santa Clara County Superintendent of Schools regarding necessary revisions for Compliance with Statutory Budget Requirements in Conjunction with the Local Control Accountability Plan

Assistant Superintendent Kolvira Chheng gave an update. He reported that at the December 13, 2018 board meeting, the Board adopted Resolution No. 20-18/19, a resolution establishing agreement between the Governing Board of the ARUSD and the Santa Clara County Superintendent of Schools regarding necessary revisions for compliance with the statutory budget requirements in conjunction with the Local Control accountability Plan (LCAP). As a result, the District is required to comply with the recommendations and necessary revisions as outlined in said resolution. Staff will provide a status update to the Board on a monthly basis.

Updates

Pursuant to Resolution No. 20-18/19, the District is required to comply with the following items by January 2019:

1. Starting in January and continuing at a minimum through January 2020, the District will present a monthly report of certificated FTE. The report will be reconciled monthly with payroll to ensure the accuracy of the count and will be compared to the current budgeted FTE to ensure the budget is on track.

10. BUSINESS (continued)

10.05 Resolution No. 20-18/19 Update Agreement between the ARUSD Governing Board and Santa Clara County Superintendent of Schools regarding necessary revisions for Compliance with Statutory Budget Requirements in Conjunction with the Local Control Accountability Plan

Status: Assistant Superintendent Kolvira Chheng reported that this was completed and ongoing. He spoke about position control and payroll report for the month of December.

2. Starting in January and continuing at a minimum through January 2020, the District will present a monthly report of cash reconciliation for all funds.
Status: Assistant Superintendent Kolvira Chheng reported that this was completed and ongoing. He spoke about the cash reconciliation report for all funds.
3. Starting in January, the District will develop a written procedure that describes the cash reconciliation process.
Status: Assistant Superintendent Kolvira Chheng reported this was completed.
4. Starting in January, the District will hire a consultant to review all suspense account balances and assist in resolving all prior year issues. This process will be completed by June 2019 and a report by the consultant will be provided to the county office describing the prior year corrections and amount so that an assessment of the materiality of the changes can be assessed.
Status: Assistant Superintendent Kolvira Chheng reported the District was currently working with Ryland School Business Consulting Firm to meet this requirement.
5. Starting in January, the business office will review the current suspense account activity on a monthly basis and investigate and resolve all balances with journal entries as appropriate.
Status: Assistant Superintendent Kolvira Chheng reported that since Fiscal Year 2017-18, the District assigned the senior accountant as the primary staff to review and reconcile suspense accounts on a monthly basis. Additionally, another accounting staff is assigned as an alternate in case the primary staff is unable to perform this task.
6. Starting in January, the District will hire a consultant to review all general ledger accounts, primarily accounts receivable, accounts payable, deferred income and assist in resolving any prior year issues and will be completed by June 2019.
Status: Assistant Superintendent Kolvira Chheng reported that the District was currently working with Ryland School Business Consulting Firm to meet this requirement.

A copy of the attachments were made available to the public.

12. CONSENT CALENDAR

12.03 Approve Southwest Key Programs, Inc. Contract

Member Andrés Quintero commented that he had originally pulled this agenda item at the previous board meeting and it should not have come back to this agenda. He stated that he hopes for the next time, items that have already been handled are not disregarded!

12.12 Resolution No. 16-18/19, African American History Month

Public Comments:

- 1) Maria Martinez – Parent representing EMPUJE, gave thanks to administration for bring this resolution to the District. It is important to the community to have all cultures represented and add it to the education of the parents.
- 2) Dilza Gonzalez – Parent representing EMPUJE, also gave thanks and echoed the sentiments of Maria Martinez.

MOTION #07-05 by Member Andrés Quintero to accept and approve Resolution No. 16-18/19 as presented. MOTION #07-05 was seconded by Vice-President Ernesto Bejarano.

MOTION #07-05 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

12.15 Santa Clara County Office of Education-Amendment to Co-Op Pilot Preschool Program: Painter Elementary School

Superintendent Hilaria Bauer gave highlights of the wonderful partnership with the Santa Clara County Office of Education. She reported that the program is currently serving 15 families and we are waiting for an approval of a second bathroom so we can expand the program to 48 families.

Clerk Dolores Marquez-Frausto asked the Superintendent to explain the difference between this program and the Kidango program.

Member Andrés Quintero commented that this was a great partnership and that Governor Newsom would be giving dollars for these types of programs.

MOTION #07-06 by Member Andrés Quintero to accept and approve the Santa Clara County Office of Education-Amendment to Co-Op Pilot Preschool Program at Painter as presented. MOTION #07-06 was seconded by Clerk Dolores Marquez-Frausto.

MOTION #07-06 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

7. BOND / FACILITIES

7.01 Citizen's Bond Oversight Committee (CBOC)

Kolvira Chheng reported that this was a standing agenda item and at this time, he did not have an update.

7.02 Approve the 2017-18 Annual Performance and Financial Audit of General Obligation Bonds Report for Measure J and Measure I

Assistant Superintendent Kolvira Chheng reported that he was pulling this agenda item because it was not ready yet for action and he would be bringing it back to the February agenda.

8. SUPERINTENDENT / BOARD BUSINESS

8.04 Board-Created Committees

MOTION #07-07 by Vice-President Ernesto Bejarano to Table this agenda item until the board vacancy was filled. There was no second made to this motion; however, there was consensus from the Board to accept his motion.

9. CONTRACTS OVER \$100,000

9.01 Approve Contract Increase for AchieveKids

MOTION #07-08 by Member Andrés Quintero to accept and approve the Contract Increase for AchieveKids, Increase for \$62,380 as presented. MOTION #07-08 was seconded by Vice-President Ernesto Bejarano.

MOTION #07-08 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

10. BUSINESS

10.01 Approve 2017-18 Annual Audit

Assistant Superintendent Kolvira Chheng introduced Mr. Jeff Jensen, CPA, Crowe, LLP, who gave a Power Point presentation on the audit.

10. BUSINESS *(continued)*

10.01 Approve 2017-18 Annual Audit

Some of the highlights were the following:

Post-Closing Adjustments

- Corrected Misstatements: One corrected misstatement was identified which impacted two of the District's governmental funds. An adjusting entry was recorded to recognize unearned revenue as earned, and transferred these funds from the Special Reserve for Capital Outlay Fund to the General Fund, to reflect the amounts as unrestricted. Management had also identified the adjustment, however, had recorded it during the year ended June 30, 2019 rather than during the current year under audit. The total amount of the entry was \$2,665,632, and resulted in an increase to total revenues for the year ended June 30, 2018.
- Uncorrected Misstatements: (1) Smaller audit differences tracked during the progress of the audit to ensure in aggregate the differences don't materially misstate the District's financial position; (2) The District participates in the CalSTRS' Medicare Premium Payment Program (MPP), which is considered an Other Postemployment Benefit Program. As such, the amounts reported through the MPP are subject to the financial reporting and disclosures required by Governmental Accounting Standard Board Standard 75; and (3) District's governmental funds financial statements report the final principal payment on the Election 2008, Series 2008A GO Bonds as an interest expense instead of a principal redemption. The total amount of the payment included in interest instead of principal was \$540,000.

Mr. Jeff Jensen spoke on other required communications and on the financial performance.

Conclusions

- The District's financial statements are presented fairly in all material respects
- Management and staff were prepared for their visit and responded timely to the requests
- The District's audit report was filed with the California State Controller's Office by the December 17, 2018 reporting deadline

Mr. Jeff Jensen answered and clarified a few questions from the Board.

MOTION #07-09 by Clerk Dolores Marquez-Frausto to accept and approve the 2017/2018 Annual Audit report as presented. MOTION #07-09 was seconded by Member Andrés Quintero.

MOTION #07-09 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

10. BUSINESS *(continued)*

10.02 Approval of KIPP's Prop 39 Project

Assistant Superintendent Kolvira Chheng reported that KIPP Prize and KIPP Heartwood are requesting approval to upgrade the lighting throughout the 1250 South King Road campus utilizing their Energy Prop 39 funds. The project has been approved by the State and is within KIPP's grant allocation and any cost overruns are the sole responsibility of KIPP.

A copy of the project proposal was made available to the public.

Assistant Superintendent Kolvira Chheng answered and clarified a few questions from the Board.

Member Andrés Quintero asked Mr. Adam Kaye, KIPP representative, if the company had any connections to KIPP's Board of Directors. Mr. Adam Kaye replied "No".

MOTION #07-10 by Member Andrés Quintero to accept and approve KIPP's Prop 39 Project Proposal as presented. MOTION #07-10 was seconded by Clerk Dolores Marquez-Frausto.

MOTION #07-10 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

10.03 Approve Resolution No. 21-18/19 Supplemental Employee Retirement Plan (SERP) Certificated and Classified Management

Assistant Superintendent Kolvira Chheng reported that Alum Rock Union Elementary School District has prepared a Supplemental Employee Retirement Plan (SERP) package for the certificated and classified management employees. This will be offered to the employees as a reward for their many years of service. Once the SERP has been offered and specific eligible employees have indicated their interest, the financial calculations will need to be run to determine whether such an offer is financially viable. The SERP program would become effective for July 1, 2019.

Interim Assistant Superintendent Jess Serna reported that the Certificated SERP group meeting was held on January 16, 84 teachers were in attendance and 60 teachers had already scheduled their personal appointments with Keenan representatives. He reported that if we can get 35 employees for over 5 years, the District would be saving \$8.6M. Unfortunately, a SERP program was not offered to the classified employees because this would not give the District any savings at this time.

10. BUSINESS *(continued)*

10.03 Approve Resolution No. 21-18/19 Supplemental Employee Retirement Plan (SERP) Certificated and Classified Management

Assistant Superintendent Kolvira Chheng introduced Ms. Gail Beale from Keenan Financial Services. Ms. Beale reported that the eligibility requirements for employees to participate in such a plan were the following:

- Must be a Certificated or Classified Management employee of the District
- Classified employee must be 50 years of age by June 30, 2019
- Certificated employee must be 55 years of age by June 30, 2019
- Must have at least 5 years of service with the District by June 30, 2019
- Must be eligible to retire from CalSTRS or CalPERS
- Must retire from the District by June 30, 2019
- Must submit a Letter of Resignation and SERP Enrollment Package by February 26, 2019

Ms. Beale reported that 9 Certificated Management are eligible with an average salary of \$139,406; and 11 Classified Management are eligible with an average salary of \$105,074.

Clerk Dolores Marquez-Frausto commended Interim Assistant Superintendent Jess Serna for his efforts in obtaining these numbers. She asked administration if the Santa Clara County Office of Education was aware of this SERP program. Interim Assistant Superintendent Jess Serna replied that they were informed and also in agreement.

President Linda Chavez gave thanks to Interim Assistant Superintendent Jess Serna for this fantastic work with this SERP program. She also translated her comments in Spanish for the audience.

Interim Assistant Superintendent commented that this District was special to him and he wanted only the best for the employees and the community.

MOTION #07-11 by Clerk Dolores Marquez-Frausto to accept and approve the SERP for Certificated and Classified Management as presented. MOTION #07-11 was seconded by Member Andrés Quintero.

MOTION #07-11 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

10.04 CMAS Contract No. 7-17-99-31-02 Mohawk Commercial, Revise to CMAS Contract No. 4-18-00-0085B

MOTION #07-12 by Member Andrés Quintero to accept and approve the CMAS Contract No. 4-18-00-0085B as presented. MOTION #07-12 was seconded by Clerk Dolores Marquez-Frausto.

10. BUSINESS (continued)

10.04 CMAS Contract No. 7-17-99-31-02 Mohawk Commercial, Revise to CMAS Contract No. 4-18-00-0085B

MOTION #07-12 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

11. HUMAN RESOURCES

11.01 Information Regarding Resignations

There was consensus from the Board to accept the resignations as submitted.

12. CONSENT CALENDAR

MOTION #07-13 by Member Andrés Quintero to accept and approve the Consent Calendar as amended. Agenda Items (1) 12.03 Southwest Key Programs, Inc., Contract; (2) 12.12 Resolution No. 16-18/19, African-American History Month; and (3) 12.15 SCCOE-Amendment to Co-Op Pilot Preschool Program: Painter Elementary were pulled at the beginning of the meeting and discussed separately. MOTION #07-13 was seconded by Clerk Dolores Marquez-Frausto.

MOTION #07-13 carried with a vote of 4 in favor; no opposition; 0 absent; 1 vacant seat; and no abstention.

13. FUTURE BOARD AGENDA REQUESTS

13.01 Requests from Board of Trustees and/or Public

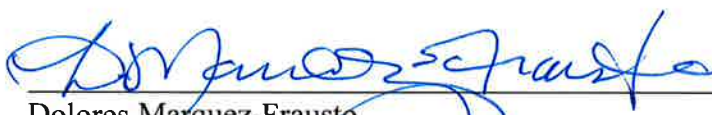
Clerk Dolores Marquez-Frausto asked to place Opterra on the next agenda for discussion.

14. ADJOURNMENT

14.01 President Adjourns the Meeting

President Linda Chavez adjourned the meeting at 9:44 p.m.

Respectfully submitted,



Dolores Marquez-Frausto
Board Clerk