

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

**MINUTES OF THE ORGANIZATIONAL REGULAR MEETING OF
THE BOARD OF TRUSTEES
of the Alum Rock Union School District
Held on Thursday, December 14, 2017, 5:30 p.m. at the Alum Rock Union School
District Office Board Room, 2930 Gay Avenue, San Jose, CA 95127
Meeting #11-17/18**

1. OPEN SESSION

1.01 Call to Order / Roll Call

President Andrés Quintero called the Organizational Board Meeting to order at 5:33 p.m. followed by Roll Call.

Board Members Present:

Andrés Quintero	President
Karen Martinez	Vice-President
Esau Ruiz Herrera	Member

Board Members Absent:

Dolores Marquez-Frausto	Clerk (<i>ill</i>)
Khanh Tran	Member (<i>out-of-country</i>)

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
Jacqueline Guevara	Executive Assistant, Superintendent's Office

1. OPEN SESSION *(continued)*

1.02 Nomination and Election of Board President

There were no nominations for Board President made at this time.

1.03 Nomination and Election of Board Vice-President

Member Esau Ruiz Herrera nominates Vice-President Karen Martinez for Board Vice-President. Vice-President Karen Martinez accepts the nomination.

Nomination carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

1.04 Nomination and Election of Board Clerk

Newly-elected Vice-President Karen Martinez nominates Member Esau Ruiz Herrera as Board Clerk. Member Esau Ruiz Herrera accepts the nomination.

Nomination carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

1.05 Appointment of the Secretary to the Board

MOTION #11-01 by newly-elected Vice-President Karen Martinez to appoint Superintendent Dr. Hilaria Bauer as the Secretary to the Board. MOTION #11-01 was seconded by President Andrés Quintero. Superintendent Dr. Hilaria Bauer accepts the appointment.

MOTION #11-01 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

1.06 Announcement and Public Comments to be Discussed in Closed Session

Superintendent Dr. Hilaria Bauer announced the items that would be discussed in Closed Session.

Public Comment:

- 1) Ray Mueller – COC Chair, questioned the process of the position of Board President if no nominations were made for this position. Mr. Mueller read a statement from a resignation from Pam Gudino, COC member, with her reasons of why she resigned.

1. OPEN SESSION *(continued)*

1.07 Adjournment to Closed Session

The Board adjourned to Closed Session at 5:41 p.m. President Andrés Quintero announced that the Board would return at approximately 6:45 p.m.

3. RECONVENE TO OPEN SESSION

3.01 Call to Order / Pledge of Allegiance

The Board reconvened to Open Session at 6:58 p.m. President Andrés Quintero welcomed the audience and led the Pledge of Allegiance.

3.02 Report of Action Taken in Closed Session

President Andrés Quintero asked Superintendent Dr. Hilaria Bauer to report the action items from Closed Session. Superintendent Dr. Hilaria Bauer reported that the Board took action on two Existing Litigations as follows:

Agenda Item 2.01, Conference with Legal Counsel-Existing Litigation, Matter of Student J.R.

In the settlement of all of student J.R.'s special education issues through the completion of grade 8, including extended school year, by a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention; the Board took action to approve the settlement terms:

1. District will refer student to Skylar Hadden School and will assist in the intake process;
2. If the student is accepted to Skylar Hadden School, the District will pay \$31,500 per year for 2017-18, 2018-19, and 2019-20 school years. For 2017-18 school year, the amount will be pro-rated;
3. If the student is not accepted to Skylar Hadden School, the District will pay not more than \$31,500 per year toward actual cost of tuition to another non-public school or private placement;
4. District will provide student with round-trip transportation once daily to Skylar Hadden School, or another school within the county;
5. District will convene a matriculation IEP in Spring 2020;
6. District will pay attorney fees and costs not to exceed \$7,000

Superintendent Dr. Hilaria Bauer reported that in exchange for the foregoing terms, student J.R.'s parents fully waive and release the District from any and all claims arising under any and all Special Education laws.

3. RECONVENE TO OPEN SESSION *(continued)*

3.02 Report of Action Taken in Closed Session

Agenda Item 2.02, Conference with Legal Counsel-Existing Litigation, Matter of Student P.G.

Superintendent Dr. Hilaria Bauer reported that the Board took two actions on this agenda item.

First, by a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention; the Board took action to approve a settlement agreement involving the District, the San Jose Unified School District and student P.G.'s parents, in which the District's obligations are as follows:

1. District shall fund an independent educational evaluation/psycho-educational assessment of student by the Miri Center; and
2. District will pay a portion of the \$8,500 in attorney's fees and costs in this matter.

Superintendent Dr. Hilaria Bauer reported that in exchange for the foregoing terms, student P.G.'s parents fully waive and release the District from any and all claims arising under any and all Special Education laws.

Secondly, by a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention; the Board took action to approve an MOU with the San Jose Unified School District regarding the implementation of the settlement referred to in the Board's first action related to Item 2.02. Under this MOU, the District will:

1. Fund a psycho-educational IEE by the Miri Center; and
2. Be responsible for paying \$1,900 of the student's attorney's fees.

Superintendent Dr. Hilaria Bauer reported that San Jose Unified School District will be responsible for fulfilling the remaining obligations of the settlement agreement.

Superintendent Dr. Hilaria Bauer reported that there was nothing else to report at this time.

3.03 Agenda Review

President Andrés Quintero reported that there was consensus from the Board to leave the agenda as is.

4. PUBLIC MEMBERS WHO WISH TO ADDRESS THE BOARD

4.01 Public Members who wish to Address the Board

Public Comments

- 1) Dilza Gonzales – Community member, that gave a brief Power Point presentation on Restorative Justice
- 2) Maria Martinez – Community member, Somos Mayfair and Empuje representative, that spoke about the discipline policies in the district and also the students do not receive homework in the after-school program
- 3) Hans Moore – Public Advocates representative, stated he is here to support the parents in the community. He asked that the District consider creating a more transparent and robust metric that shows how the information is gathered

5. COMMENTS AND COMMUNICATION

5.01 Teamsters

There were no representatives from Teamsters at this time.

5.02 CSEA

There were no representatives from CSEA at this time.

5.03 Alum Rock Administrator's Association (ARAA)

Dr. Sandra Sarmiento – ARAA President, reported on the VAPA 10th Annual Winter Showcase recently held with a lot of singing. Dr. Sandra Sarmiento wished everyone, on behalf of ARAA, a happy holiday winter break.

5.04 Alum Rock Educator's Association (AREA)

Jocelyn Merz – AREA President, reported that on behalf of AREA, she was excited about working through the application to join the South Bay Worker's Council, representing 401 labor unions. She reported that becoming members was to broaden AREA's perspective and benefit campaign resources. Jocelyn Merz reported that AREA is committed with the support of South Bay Worker's Council to endorse vetted candidates based on what is best for the students. AREA will be interviewing candidates!

5. COMMENTS AND COMMUNICATION *(continued)*

5.05 Superintendent

Superintendent Dr. Hilaria Bauer gave thanks to the audience for being present at this meeting. She stated that she welcomes the upcoming challenges in the next year. She reported that the Fischer issues in terms of the teacher and student have been resolved. She gave special thanks to the staff for the successful VAPA showcase that had 500 people in attendance with fantastic performances. Lastly, she commented that she attended the Build-at-Chavez event where the 3rd grade students are learning to code – congratulations Chavez!

5.06 Board of Trustees/Communications/Comments

Newly-elected Clerk Esau Ruiz Herrera wished everyone a happy holiday season. He reported that he attended the CSBA Annual Education Conference and learned about such things as the Brown Act, Superintendent's Evaluation, and an Effective Board. He commented that this was a very informative conference! He also announced the March Madness event quickly approaching.

Newly-elected Vice-President Karen Martinez gave thanks to the parents that presented. She stated that she was excited to hear about the coding being done at Chavez. She also commented that she was pleased that the District has done a great job of reclassifying English Language Learners – the Charter Schools have not done what we are doing – and it's something to be proud of. Lastly, she wished everyone a wonderful holiday season!

President Andrés Quintero gave thanks to the parents and the community for attending the board meetings – this ensures that we are moving in the right direction. He reported that he was not able to attend the CSBA Annual Education Conference due to his teaching obligation. President Andrés Quintero reported that he attended the East Side Union High School District Hall of Fame dinner event and was impressed to see the caliber of folks in attendance.

6. SUPERINTENDENT / BOARD BUSINESS

6.01 Approval of the Proposed Board Meeting Calendar for 2018 Meetings

MOTION #11-02 by Clerk Esau Ruiz Herrera to accept and adopt the Proposed Board Meeting Calendar for 2018 Meetings as submitted. MOTION #11-02 was seconded by Vice-President Karen Martinez.

MOTION #11-02 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

6. SUPERINTENDENT / BOARD BUSINESS *(continued)*

6.01 Approval of the Proposed Board Meeting Calendar for 2018 Meetings

Vice-President Karen Martinez asked her colleagues to consider having two board meetings during the month instead of just one. This would eliminate the need for the special board meetings.

6.02 Call for Nominations for CSBA Delegate Assembly

President Andrés Quintero reported that there were no nominations for the CSBA Delegate Assembly at this time.

**6.03 Adopt the First Reading of the Amended Board Policy 4030,
Nondiscrimination in Employment, Personnel**

MOTION #11-03 by Clerk Esau Ruiz Herrera to accept and approve the First Reading of the Amended Board Policy 4030 as presented. MOTION #11-03 was seconded by Vice-President Karen Martinez.

***MOTION #11-03 carried with a vote of 3 in favor; no opposition; 2 absent
(Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.***

**6.04 Adopt the First Reading of the Amended Administrative Regulation
4031, Nondiscrimination in Employment and Complaints Concerning
Discrimination in Employment, Personnel**

MOTION #11-04 by Vice-President Karen Martinez to accept and approve the First Reading of the Amended Administrative Regulation 4031 as presented. MOTION #11-04 was seconded by Clerk Esau Ruiz Herrera.

***MOTION #11-04 carried with a vote of 3 in favor; no opposition; 2 absent
(Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.***

**6.05 Adopt the Second Reading of the Amended Board Policy 2121,
Superintendent's Contract, Administration**

MOTION #11-05 by Vice-President Karen Martinez to accept and approve the Second Reading of the Amended Board Policy 2121 as presented. MOTION #11-05 was seconded by Clerk Esau Ruiz Herrera.

Clerk Esau Ruiz Herrera reported that the Superintendent's Contract must be discussed during a "Regular Board Meeting" and not at a "Special Board Meeting" and the word "Regular" needs to be inserted into this Amended Board Policy 2121. He stated that once the word "Regular" is inserted, then we need to start with the "First Reading" and it is no longer considered a "Second Reading".

6. SUPERINTENDENT / BOARD BUSINESS *(continued)*

6.05 Adopt the Second Reading of the Amended Board Policy 2121, Superintendent's Contract, Administration

MOTION #11-05 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

6.06 The Board will discuss and may renew the Contract for Rehon and Roberts Law Firm

Superintendent Hilaria Bauer asked for the Board to support the renewal of the contract with Rehon and Roberts Law Firm until December 31, 2017. She commented that staff does not have the expertise to submit documents to the SEC for their investigation.

Clerk Esau Ruiz Herrera stated that we should wait until a future meeting when the full Board is present as we are asking the Board to secure attorneys. In addition, we have waived attorney-client privileges so we do not need these lawyers in place. He also commented that the District does not need lawyers to produce the SEC documents—especially with no hard deadlines in place.

Vice-President Karen Martinez commented that she can support waiting until next month. She also asked Superintendent Hilaria Bauer how the Board could support her?

Attorney Rogelio Ruiz reported that the District has not waived the attorney-client privileges relating to the SEC investigation and they want to see that the District is making progress.

Jocelyn Merz commented that Attorney Rogelio Ruiz has vested interest in this District and has working knowledge of current bargaining needs.

Clerk Esau Ruiz Herrera requested to table this agenda item since two Board Members were not present or to wait and not take action until ***Agenda Item 6.08 The Board will discuss, review, and/or select one or more legal services providers*** was discussed.

MOTION #11-06 by Vice-President Karen Martinez to extend the Contract for Rehon & Roberts Law Firm until December 31, 2017. There was no second made to MOTION #11-06.

6.07 Board Consideration of, and Response to, December 4, 2017, Letter from SCCOE

Superintendent Hilaria Bauer briefly spoke about the letter that the District received from the Santa Clara County Office of Education (SCCOE) regarding Attorney Rogelio Ruiz's November 8 Legal Memorandum regarding "Analysis of Conflict of Interest Issues relating to Program and Construction Management Services".

6. **SUPERINTENDENT / BOARD BUSINESS** *(continued)*

6.07 Board Consideration of, and Response to, December 4, 2017, Letter from SCCOE

Superintendent Hilaria Bauer reported that SCCOE was requesting that the District appropriately respond with a written letter stating the Board's position of whether to accept, reject, or seek another legal opinion by December 31, 2017.

Clerk Esau Ruiz Herrera commented that the SCCOE was 'off their rocker' and he was not intimidated by their charge.

Vice-President Karen Martinez asked Attorney Rogelio Ruiz for information if the District would have any consequences in the event the Board did not comply to the SCCOE by the December 31, 2017 deadline.

Attorney Rogelio Ruiz reported that there is no authority in the Education Code for the request that is being made of the Board. It is a unique request, but it is a request!

Superintendent Hilaria Bauer reported that the Santa Clara County Counsel was not able to support us in this matter because of their involvement; however, they did refer the District to other entities that were not educational firms.

MOTION #11-07 by Clerk Esau Ruiz Herrera that the District will respond to the County Superintendent's letter indicating that we will appropriately respond after the January regular board meeting and after consultation with legal counsel. MOTION #11-07 was seconded by Vice-President Karen Martinez.

The Board had additional discussion on this agenda item.

Public Comment:

- 1) Jeff Markham – Community member, commented of running afoul of Government Code Section 1090 is not a small thing. He commented that he felt that a response from the Board to the SCCOE was the prudent thing to do.

There was discussion and consensus from the Board to have legal counsel write a cover letter with the Board's statement to include some of the issues and concerns expressed by them in addition to include the legwork that had already been done.

MOTION #11-07 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

6. SUPERINTENDENT / BOARD BUSINESS (continued)

6.08 The Board will Discuss and Select One or more Legal Services Provider

Assistant Superintendent Kolvira Chheng reported that the District had received six legal proposals. He briefly explained the selection process. The legal proposals include the following:

1. Leal Trejo, APC, Long Beach
2. Lozano Smith, LLP, Walnut Creek
3. Orbach Huff Suarez & Henderson, LLP, Oakland
4. Orrick, Herrington, and Sutcliffe, LLP, San Francisco
5. Parker & Covert, LLP, Sacramento
6. Rehon & Roberts, LLP, San Jose

Clerk Esau Ruiz Herrera reported that he had read all six proposals and was ready to propose the top three firms and engage in a serious discussion. He was proposing the selection of one firm from the following three firms:

1. Rehon & Roberts, LLP
2. Leal Trejo, APC
3. Lozano Smith, LLP

The Board had discussion on this agenda item and were in consensus to wait on the final selection of the new law firm until the entire Board was in attendance.

MOTION #11-08 by Vice-President Karen Martinez to approve and extend the Legal Contract with Rehon & Roberts until February 28, 2018 for the support of the Collective Bargaining as well as the SEC Investigation Production Efforts. MOTION #11-08 was seconded by President Andrés Quintero.

Public Comment:

- 1) Camille Llanes-Fontanilla – Community member and Somos Mayfair representative, stated that this was an irresponsible decision to leave the District without legal counsel – not only for staff – but also for upcoming bargaining negotiations. Ms. Camille Llanes-Fontanilla made the request to the Board for a criteria to be set for the selection and approval of the next legal counsel.

MOTION #11-08 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

6. SUPERINTENDENT / BOARD BUSINESS *(continued)*

6.06 The Board will discuss and may renew the Contract for Rehon & Roberts Law Firm

MOTION #11-09 by Vice-President Karen Martinez to Table Agenda Item 6.06 The Board will discuss and may renew the Contract for Rehon and Roberts Law Firm. There was no second made to MOTION #11-09.

Vice-President Karen Martinez asked her colleagues if *Agenda Items 6.09 and 6.10* could be postponed until after *Agenda Item 11.04 Preparation of Facilities Condition Assessment Report*.

6.09 Discussion around George Multi-Purpose Community Room that will exclude the George campus pertaining to the Earthquake Faultline

6.10 Discussion around Next Steps pertaining to the George/Fischer Multi-Purpose Rooms

6.11 Board-Created Standing Committees

The Board was in consensus to Table this agenda item until the next board meeting.

6.12 Resolution No. 18-17/18 to Approve to work cooperatively with Fiscal Expert appointed by the SCCOE

MOTION #11-10 by Vice-President Karen Martinez to accept Resolution No. 18-17/18 to work cooperatively with the Fiscal Expert appointed by the SCCOE. MOTION #11-10 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-10 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

6.13 FCMAT Update

Assistant Superintendent Kolvira Chheng provided a brief summary. At a special board meeting held on July 27, 2017, the Board authorized a formal written response to the FCMAT Extraordinary Audit. The District sent Del Terra six separate letters on August 4, 2017, requesting deliverables, documents and records under the agreements between Del Terra and the District as indicated on the following page:

6. SUPERINTENDENT / BOARD BUSINESS *(continued)*

6.13 FCMAT Update

Description	Date
Agreement for additional services: DSA Close-out Certification Services, Exhibit A	
Request for deliverables, documents and records pursuant to Program and Construction Management Agreement, Measure I, Exhibit B	Nov. 10, 2016
Request for deliverables, documents and records pursuant to Program Management Agreement, Measure J, Exhibit C	Nov. 10, 2016
Request for deliverables, documents and records pursuant to Construction Management Agreement, Measure J, Exhibit D	Nov. 10, 2016
Request for deliverables, documents and records pursuant to Program Management Agreement, Measure J, Exhibit E	May 9, 2013
Request for deliverables, documents and records pursuant to Construction Management Agreement, Measure J, Exhibit F,	Oct. 1, 2013

Assistant Superintendent Kolvira Chheng also gave a written update on the DSA Close-Out Certification Services from the October 12, 2017, November 9, 2017, and December 14, 2017 Regular Board Meetings.

In addition, Assistant Superintendent Kolvira Chheng gave a written report with updates relating to 2013 and 2016 Measure J and Measure I Program and Construction Management Agreements also from the October 12, 2017, November 9, 2017, and December 14, 2017 Regular Board Meetings.

Lastly, Assistant Superintendent Kolvira Chheng reported that on Monday, December 11, 2017, the District received a hard drive from Del Terra and was in the process of reviewing the materials.

6.14 Board Retreat and Training

Vice-President Karen Martinez requested to Table this agenda item until the next meeting when the entire Board was present.

6.15 Board-Created Standing Committees

President Andrés Quintero reported that no action would be taken due to lack of time.

6.16 Staff to provide an Update pertaining to Fischer Middle School and Addressing School Climate and Environment Issues

Ms. Norma Flores, Director of Student Services, reported that she had gathered ideas from staff, planned meetings had taken place, grade level assemblies were held, and an multicultural event was being planned for Spring 2018.

6. SUPERINTENDENT / BOARD BUSINESS *(continued)*

6.16 Staff to provide an Update pertaining to Fischer Middle School and Addressing School Climate and Environment Issues

Board Comment: Karen Martinez.

7. BOND / FACILITIES

7.01 Presentation on Mission Trail Advisors

Mr. Lalo Trujillo, CEO, Mission Trail Advisors, was joined by Mr. Scott Henry, Senior Vice-President and Underwriter, DeLaRosa & Company; and Mr. Carlos Villafuerte, Bond Counsel, Stradling Yocca Carlson & Rauth. Mr. Lalo Trujillo gave a Power Point presentation and some of the highlights were as follows:

Active District Bond Authorizations

Bond Election of 2012 (Measure J)	Amount
- Authorized Amt.	- \$125,000,000
- Issued Amt.	- \$ 53,500,000
- Unissued/Available Amt.	- \$ 71,500,000
Bond Election of 2016 (Measure I)	
- Authorized Amt.	- \$139,999,672
- Issued Amt.	- \$ 0
- Unissued/Available Amt.	- \$139,999,672

**TOTAL UNISSUED
G.O. BONDS
\$211,499,672**

Assessed Valuation

- Six years in a row of growth in Assessed Value
- Average annual growth of 6.9% over the last five years

Interest Rate Trends

- A comparison chart from December 11, 2008 through December 12, 2017

Status of District's General Obligation (G.O.) Bond Ratings

- District's General Obligation Bond credit rating downgraded by Standards & Poor's from AA- to BBB+
- District is still under evaluation ("Credit Watch") which means further action by Standards & Poor is still possible
- Moody's maintained the District's G.O. Bond ratings at Aa3. Given recent budget matters, a downgrade is also possible

7. BOND / FACILITIES *(continued)*

7.01 Presentation on Mission Trail Advisors

Investment Grade Ratings

Moody	Standard & Poor
Aaa	AAA
Aa1	AA+
Aa2	AA
Aa3	AA-
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-

Bond Issuance Options

- In spite of the credit rating challenges, the District still has access to the Bond markets
- The District has essentially two options: (1) issue NOW; or (2) WAIT until challenges are overcome
- Considerations to include: (1) Issuing now is more expensive than with the former credit ratings; (2) A further downgrade would make it more expensive still; and (3) Waiting may be even more expensive as construction costs and interest rates may rise

Bond Issuance Timing Considerations

- As an example, a downgrade to “Baa1” by Moody’s is estimated to add approximately 0.16% to the interest rate, and approximately \$547,000 in total interest costs for a \$35 million, 30-year bond issue

Estimated Impact of a Moody’s Rating Downgrade (estimated by Stifel, Nicolaus & Co. based on prevailing market rates as of 12/14/17)			
	Aa3 / AAA	Baa1 / AAA (Insured)	Difference
All-in True Interest	3.9%	4.13%	0.16%
Bond Principal	\$35,000,000	\$35,000,000	-
Project Fund	\$34,780,000	\$34,780,000	-
Issuance Expenses	\$ 465,000	\$ 640,602	\$175,602
Total Debt Service	\$69,693,375	\$70,240,625	\$547,250

- That translates to approximately \$0.75 in average additional annual taxes for the average residential parcel in the District

7. BOND / FACILITIES *(continued)*

7.01 Presentation on Mission Trail Advisors

Potential Timing for Measure I Bond Sale

- Timing of issue should match funding needs
- Given current budget and credit rating matters, a possible timeline could be as follows

January 15	First Interim decision by SCCOE <i>(a qualified First Interim would change the schedule as the County would have to issue the Bonds on behalf of the District)</i>
January 18	Bond documents presented to the Board for approval
January 25	Bond credit ratings received
February 8	Bonds sold
February 22	Bond sale closed

Sample Bond Issuance Program

- Amount of first issue affects the rest of the Bond Program
- Program estimates would be updated at each new issue

Potential Bond Issuance Schedule (For discussion only-actual 2018 issuance will depend on interest rates at the time of the bond sale. Future issues will depend on actual AV growth and interest rates at the time of those respective bond sales)	
Measure I	
2018	35
2020	20
2022	23
TBD	TBD
Total Bonds	78

- Based on AV growth rates of 3% for FY 2018-19, and 4% thereafter
- No Capital Appreciation Bonds (CABs)
- Assumes prevailing market rates for Series A, +1.00% for Series B, and +1.25% for Series C

Clerk Esau Ruiz Herrera stated that since two board members were absent, he asked Mr. Lalo Trujillo if he could return to the January meeting with this presentation. He also commented that we should take some sort of action, as validated by Measure I, to do the right thing by our public and we should take some sort of action by January.

President Andrés Quintero commented that in the middle of the SEC Investigation, he is not necessarily feeling comfortable moving forward.

7. BOND / FACILITIES *(continued)*

7.01 Presentation on Mission Trail Advisors

Vice-President Karen Martinez asked Mr. Lalo Trujillo if he could stay around until they addressed ***Agenda Item 11.04 Preparation of a Facilities Condition Assessment Report.***

Mr. Carlos Villafuerte reported that the Santa Clara County Office of Education would have to be involved and approached very collectively. Mr. Carlos Villafuerte stated there was no legal prohibition for the District to proceed with the Bond sale.

Mr. Lalo Trujillo reported that Bonds have a fixed rate and that the Bond environment is favorable right now.

7.02 Presentation and/or update on the Bond/Facilities

Assistant Superintendent Kolvira Chheng reported that he had nothing to report on Bond/Facilities at this time. He also announced that Mr. Luis Rojas was absent due to illness and that no report was made available to him.

7.03 Approve HVAC Upgrades Project at Dorsa School Notice of Completion

MOTION #11-11 by Vice-President Karen Martinez to accept and approve the HVAC Upgrades Project at Dorsa as presented. MOTION #11-11 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-11 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

President Andrés Quintero adjourned the meeting to a short recess at 9:45 p.m. and reconvened back to the meeting at 9:56 p.m.

President Andrés Quintero requested that ***Agenda Item 9.01 Presentation on the 2017 California Assessment of Student Performance and Progress (CAASPP)*** be moved up to this time due to the lateness of the meeting. There was consensus from the Board to accept his recommendation.

9. INSTRUCTIONAL SERVICES

9.01 Presentation on the 2017 California Assessment of Student Performance and Progress (CAASPP)

Assistant Superintendent Rene Sanchez introduced Mr. Ivan Montes, E.L. Coordinator, Academic Services, who gave a Power Point presentation on the CAASPP.

9. INSTRUCTIONAL SERVICES *(continued)*

9.01 Presentation on the 2017 California Assessment of Student Performance and Progress (CAASPP)

Public Comments: Hilaria Bauer, Ivan Montes, Rene Sanchez, Jeff Markham, and Maria Martinez.

7. BOND / FACILITIES

7.04 Approve 9 New Portable Installations and New Parking Area for Hubbard School Notice of Completion

MOTION #11-12 by Vice-President Karen Martinez to accept and approve the 9 New Portable Installations and New Parking Area for Hubbard School Notice of Completion as presented. MOTION #11-12 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-12 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

7.05 Approve HVAC Upgrades Project at LUCHA Elementary School Notice of Completion

MOTION #11-13 by Clerk Esau Ruiz Herrera to accept and approve HVAC Upgrades Project at LUCHA Elementary School Notice of Completion as presented. MOTION #11-13 was seconded by Vice-President Karen Martinez.

MOTION #11-13 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

7.06 Approve Restroom and Access Upgrade Project at Mathson School Notice of Completion

There was consensus from the Board to Table this agenda item at this time.

7.07 Approve Contract with Sugimura Finney Architects, Bonds for Ryan and Russo/McEntee Schools, \$252,000 per School Site

MOTION #11-14 by Clerk Esau Ruiz Herrera to accept and approve the Contract with Sugimura Finney Architects, Bonds for Ryan and Russo/McEntee Schools for \$252,000 per site as presented. MOTION #11-14 was seconded by Vice-President Karen Martinez.

MOTION #11-14 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

8. CONTRACTS OVER \$100,000

**8.01 Approve Contract with Spectrum Center, Special Education,
\$146,229.60**

MOTION #11-15 by Vice-President Karen Martinez to accept and approve the Contract with Spectrum Center for \$146,229.60 as presented. MOTION #11-15 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-15 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

**8.02 Approve Contract with Curriculum Associates, Academic Services,
\$346,196.25**

MOTION #11-16 by Clerk Esau Ruiz Herrera to accept and approve the Contract with Curriculum Associates, for the amount of \$346,196.25 as presented. MOTION #11-16 was seconded by Vice-President Karen Martinez.

MOTION #11-16 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

9. INSTRUCTIONAL SERVICES

9.02 Approve Single Plan for Student Achievement

MOTION #11-17 by Vice-President Karen Martinez to accept and approve the Single Plan for Student Achievement as presented. MOTION #11-17 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-17 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

10. HUMAN RESOURCES

10.01 Information Regarding Resignations

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

10. HUMAN RESOURCES *(continued)*

10.02 Approve Memorandum of Understanding (MOU) between Alum Rock Educators Association and Alum Rock Union Elementary School District regarding Psychologist and Speech Pathologist Salary Schedule retroactive to July 1, 2017

MOTION #11-18 by Clerk Esau Ruiz Herrera to accept and approve the MOU as presented. MOTION #11-18 was seconded by Vice-President Karen Martinez.

MOTION #11-18 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frauso and Khanh Tran); and no abstention.

11. BUSINESS OFFICE

11.01 To Receive and Approve the First Interim Financial Report

Assistant Superintendent Kolvira Chheng gave a Power Point presentation. Some of the highlights included the following:

Budget Cycle

- Adopted Budget: June 2017
- First Interim: December 2017
- Second Interim: March 2018
- Unaudited Actuals: September 2018
- Audited Financials: December 218

Purpose/Reason for First Interim Reporting

- Schools Boards are required to certify projected year end and subsequent years' financial condition twice a year: (1) Using Interim Reports; and (2) Typically during December and March of each year
- The First Interim includes a snapshot of the District's financial positions as of October 31, 2017
- This First Interim includes the multiple year projections for current and two subsequent years
- Assumptions change constantly. Administration utilizes the most current information available and continually monitors significant assumption changes, including but not limited to: (1) Enrollment and ADA; (2) Funding per ADA, COLA, and Gap Funding Percentage; (3) Staff changes; (4) State budget; (5) Federal, State, and Local funding amounts; (6) Impact of Negotiations that have settled; (7) Cash flow; and (8) New laws impacting financials

11. BUSINESS OFFICE *(continued)*

11.01 To Receive and Approve the First Interim Financial Report

Changes from Adopted Budget to First Interim

- Changes in Enrollment, Revenues, Expenditures, and Unrestricted General Fund

Multi-Year Projection Unrestricted General Fund

	Unrestricted General Fund		
	2017-18 First Interim	2018-19 Projected	2019-20 Projected
Beginning Balance	\$ 19,699,850	\$ 10,460,780	\$ 8,057,534
Total Revenues	\$113,713,043	\$114,314,495	\$112,644,465
Total Expenditures	\$101,141,414	\$ 93,841,934	\$ 93,084,497
Total Contributions/Transfers	(21,810,699)	(22,875,807)	(23,643,057)
Surplus/(Deficit)	(9,239,069)	(2,403,246)	(4,083,089)
Ending Fund Balance	\$ 10,460,780	\$ 8,057,534	\$ 3,974,445
Components of Ending Balance			
Revolving Fund	\$ 20,000	\$ 20,000	\$ 20,000
Restricted	--	--	--
Committed	--	--	--
Assigned	--	--	--
Reserve for Economic Uncertainties	\$ 4,336,737	\$ 3,956,500	\$ 3,954,075
Unassigned/Unappropriated Amount	\$ 6,104,043	\$ 4,081,034	\$ 370

Assistant Superintendent Kolvira Chheng briefly spoke on the challenges and opportunities facing the District. He reported on the LCFF overview and the progress toward the LCFF implementation. He also briefly spoke on ADA revenues vs. the expenses and the Unrestricted General Fund historical trend.

Next Steps

- January Governor's Budget Projections
- Budget Development Progress begins – January 2018
- Second Interim – March 2018
- Collaborative Efforts with Educational Services to develop LCAP
- May Revise
- Public Hearing for 2018-19 Budget and LCAP – June 2018
- Adoption of Budget and LCAP – June 2018

Public Comments: Hilaria Bauer and Kolvira Chheng.

11. BUSINESS OFFICE *(continued)*

There was consensus from the Board to extend the meeting until 11:00 p.m.

11.01 To Receive and Approve the First Interim Financial Report

Board Comment: Karen Martinez.

MOTION #11-19 by Clerk Esau Ruiz Herrera to accept and approve the First Interim Financial Report as presented. MOTION #11-19 was seconded by Vice-President Karen Martinez.

MOTION #11-19 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

11.02 2016-17 Annual Audit Extension

MOTION #11-20 by Clerk Esau Ruiz Herrera to accept and approve the 2016-17 Annual Audit Extension as presented. MOTION #11-20 was seconded by Vice-President Karen Martinez.

MOTION #11-20 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

11.03 Approval of Annual Developer Fees 2016-17

MOTION #11-21 by Vice-President Karen Martinez to accept and approve the Annual Developer Fees for 2016-17 as presented. MOTION #11-21 was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-21 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

11.04 Presentation of a Facilities Condition Assessment Report

MOTION #11-22 by Clerk Esau Ruiz Herrera to accept and approve the Facilities Condition Assessment Report as presented. MOTION #11-22 was seconded by Vice-President Karen Martinez.

MOTION #11-22 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

Board Comments: Andrés Quintero and Karen Martinez.

Public Comment: Carol Tanner.

12. CONSENT CALENDAR

MOTION #11-23 by Vice-President Karen Martinez to accept and approve the Consent Calendar as presented. **MOTION #11-23** was seconded by Clerk Esau Ruiz Herrera.

MOTION #11-23 carried with a vote of 3 in favor; no opposition; 2 absent (Members Dolores Marquez-Frausto and Khanh Tran); and no abstention.

13. FUTURE AGENDA ITEMS

13.01 Requests from Board of Trustees and/or the Public

Vice-President Karen Martinez asked that the following Agenda Items be brought back to the next regular board meeting:

6.09 Discussion around George Multi-Purpose Community Room that Excludes the George campus pertaining to the Earthquake Faultline

6.10 Discussion around Next Steps pertaining to the George/Fischer Multi-Purpose Rooms

14. ADJOURNMENT

MOTION #11-24 by Vice-President Karen Martinez to adjourn the board meeting. **MOTION #11-24** was seconded by Clerk Esau Ruiz Herrera.

There was no vote taken on MOTION #11-24 but the Board was in consensus to adjourn.

President Andrés Quintero adjourned the meeting at 11:00 p.m.

Respectfully submitted,



Esau Ruiz Herrera
Board Clerk

HB/mcs