

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
SPECIAL MEETING OF THE BOARD OF TRUSTEES
BOARD OF TRUSTEE BUDGET WORKSHOP**

November 20, 2007, 6:00 P.M.
Lincoln High School Library
790 J Street, Lincoln, CA 95648

MINUTES

2007-2008 Goals & Objectives (G & O) for the Management Team: Component I: Quality Student Performance; Component II: Curriculum Themes; Component III: Special Student Services; Component IV: Staff & Community Relations; Component V: Facilities/Administration/Budget.

6:00 P.M. OPEN SESSION – Lincoln High School Library

Members Present

Paul Long, President
Ana Stevenson, Member
Brian Haley, Member
Paul Carras, Clerk

Members Absent

James McLeod, Vice President

Others Present

Scott Leaman, Superintendent
Bob Noyes, Assistant Superintendent of Personnel Services
Mary Boyle, Assistant Superintendent of Educational Services
Terri Ryland, Interim Assistant Superintendent of Business Services
Cathy Allen, Assistant Superintendent of Facilities and Maintenance Services
Rosemary Knutson, Secretary to the Superintendent

Press - Cheri March, Lincoln News Messenger

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

2. COMMUNICATION FROM THE PUBLIC

3. ♦ ACTION ♦ DISCUSSION ♦ INFORMATION

CODE: (A) = Action (D) = Discussion (I) = Information

**3.1 (I) ANNUAL REPORT ON WILLIAMS SCHOOLS IN WESTERN
PLACER UNIFIED SCHOOL DISTRICT – Boyle (06-07 G & O
Component I, II, IV, V)**

•In the Western Placer Unified School District, one school has been identified as a Williams school – First Street School. A visit of First Street School was made within the first eight weeks of school and we have found the following:

- Sufficient textbooks Yes
- Adequate facilities Yes
- Accurate information on the SARC Yes

Minutes

Motion by Mr. Haley, seconded by Mr. Carras and passed by unanimous vote to accept the information received from the County Superintendent on the Williams visit to First Street School.

3.2 (I/D) BUDGET WORKSHOP - Leaman (06-07 G & O Component IV-V)

•A budget and finance update will be presented to the board in a workshop format. Items presented will include:

1. General Financial Update
 - a. Budget Status
 - b. Multi-Year Projections
2. Debt Analysis
3. Comparisons with other surrounding districts on spending and compensation
4. Board discussion and direction

Terri Ryland presented a power point presentation, and reviewed the following:

- Growth and how it has slowed down.
- Status of Budget October 1, 2007.
- Maintenance – If facilities are not maintained, districts are not allowed to participate in the State program.
- Multi-Year Projections must always be shown when approving the budget.
- Cost of 1% step and benefits for Certificated, Certificated Management, Classified, Confidential, Classified Management.
- How we stack up against other districts.
- Most of the costs are going to Salaries, Benefits and Special Ed.
- Special Education costs are at an all time high. The district will look into providing care for some of our special education needs.

The District has 5 Outstanding COP Issuances

Cathy Damnico gave a power point presentation on Outstanding Debt.

She reviewed a list of outstanding COP'S

2003 Series A: \$17 million - \$25 million outstand

2003 Series B: 12 million – 11.5 million outstanding

2004 Series A: \$35.00 million – 33.8 million outstanding

2006 Series A: \$8 million

2006 Series B: \$50.3 million

Mello-Roos Special Tax Revenue

Two Community Facilities Districts “CFDs”.

- Tax revenue can be used for capital facilities projects with a useful life of 5 years or longer that benefit the CFD.

One outstanding Mello-Roos bond

- \$15 million issued in June 2005
- Debt service is paid from CFD #1 special tax.

Before any special tax revenue can be used to repay outstand COPs.

There was discussion on CFD #1 (Lincoln Crossing) and CFD #2 (Twelve Bridges Area)

Developer Fees can fund facility projects related to expansion or growth, and renovations to maintain adequate space for future students.

- The current charges are \$5.00 per square foot.
- The district will increase for bi-annual inflation adjustment in January.

Developer fees are projected at \$800,000 per year, increasing at 5% per year.

- The increase accounts for increases in the fee and increases in the number of units.

Contributions from other Agencies:

- The City of Lincoln is expected to contribute toward the construction of parks, 2.9 million has been billed to date, expect an additional \$2 million.

Revenue Concerns:

Based on existing COP debt service and revenue projects, on a cash flow basis, the district may not have sufficient revenue to pay COP debt service.

- Without additional revenue from new development, a general fund contribution would be required.

Other Concerns:

Variable Rate debt can save the district a lot of money as well as help lowering the cost of borrowing.

- Staff needs to carefully monitor interest rates.
- A relatively flat yield curve environment.
- Annual costs associated with variable rate debt
- Ensure that the maximum special tax is levied, this includes a tax on final map parcels in both CFDs and a back up tax in CFD #2.

The District may want to restructure existing debt to match available Revenue Sources:

Looking closely at the 2003A, 2003B and 2004A COPs to have a fairly short term.

- Could extend term to lower annual payments.

Fixed rate COPs provide future certainty.

- Can lock in a low long-term fixed rate.

Series 2006A and 2006B have a fixed interest rate until 2011 and 2009, respectively.

- Should leave the 2006 COPs outstanding for now and consider restructuring when the interest rate converts.

Plan to Move Forward: Board to consider debt restructuring

- With board approval, direct superintendent to engage financing team - draft COP refinance/restructuring documents.
- Board to approve final restructuring plan and COP refinance documents at future board meeting - issue restructuring COP.
- On an ongoing basis, at least semi-annually, review revenues and expenditures and adjust financial plan – Additional restructuring may be required on Series 2006A and 2006B COPs.

Minutes

The board discussed the financial direction of the district and it was the consensus of the board that we start the financial restructure as soon as possible.

Bob reviewed salary comparison for all groups:

- Certificated ranked 1st and 2nd in salary and ranked on top for Health & Welfare Benefits
- Classified averaged 2nd in ranking with salaries and ranked on top for Health and Welfare Benefits.
- Administrator's salaries comparison we ranked 5th, but looked good in Health & Welfare Benefits.
- Classified Management salaries also ranked 5th, but looked good in Health & Welfare Benefits.
- Confidential Salaries ranked between 6th and 8th, but looked good in Health & Welfare Benefits.

How does WPUSD rank:

	<u>Average</u> <u>Ranking</u>	<u>Total</u> <u>Compared</u>
Certificated	1.6	Out of 8
Classified	2.4	Out of 8
Administrators	5.2	Out of 7
Classified Management	5.2	Out of 7
Confidential	6.2	Out of 8

Board Direction and Next Steps:

1. Refrain from incurring additional debt obligations (Restructure current debt).
2. Do not let benefit increases decide the priorities of the district (Allow for the bargaining of benefits annually).
3. Provide equity across all employee groups.
4. Take steps to provide sufficient reserves for uncertainty.

Scott handed out 2007-08 Bargaining Issues:

SALARY

Overarching Salary Philosophy

Salary compensation should be equitable across employee groups. It is unfair for some WPUSD employee groups to be paid far less than those doing similar jobs in the county unless there are other compensation factors. It is unfair for salary schedules already near or at the top of rank order to continue to receive raises above groups far below in a rank order.

Overarching Direction

Based on a comparison of Placer County district by job task, all employee salary schedules should be similarly ranked. The majority of available funds should be used to increase the ranking of groups lower in rankings. The remaining funds can be used to maintain other group's positions in the rankings.

BENEFITS

Overarching Benefit Philosophy

A floating cap on benefits takes the negotiations impacts away from the bargaining table and puts them in the hands of insurance and health companies. These entities do not understand or care about the impact of their increase every year.

Overarching Direction – Automatic benefit increases currently cost the district \$5000,000 a year for all employee groups. The district desires to make these benefits increases negotiable each year as part of a total compensation package.

RESERVE

Overarching Benefit Philosophy

The district has maintained only the mandated reserve for many years. With only mandated reserve available, the district is susceptible to a qualified or negative budget when there is a change in income or expenditure assumptions. When negotiating, the teams must be cognizant that any changes in assumptions used to reach an agreement can lead to negative financial impacts without a reserve beyond the mandated level.

Overarching Direction

The district desires to increase reserves beyond the mandate to compensate for changes in the state or local budget without forcing budget cuts or attaining a qualified budget.

FACILITY DEBT

Overarching Benefit Philosophy

The district has engaged in numerous Certificates of Participation that use the general fund as the last source of funding. This fact will have an impact on any outside agency that evaluates our ability to increase compensation.

Overarching Direction

The Board desires to reorganize and/or plan on the most prudent course of action to ensure the general fund is at the least risk to be used for COP payment. Future facilities will need to be constructed without adding debt to the district.

The conclusion was that the district would work on a financial reorganization plan, and bring it to the board of trustees for approval. This process will take about 3 months.

Mr. Carras feels he understands more of the debt situation.

Mr. Haley wants to be fair to all groups and maintain what you have.

Mrs. Stevenson was happy with the presentation and her questions were answered about CFD's.

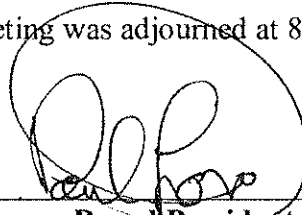
Mr. Long shared he has great faith of all employees in our district. He feels our biggest issue is servicing our debt and we need to keep the wonderful relationship.

It was the consensus of the board that staffing is needed in all areas of the district office.

It was the consensus of the board that the January 1st board meeting be canceled due to the fact in falls on a Holiday.

3. ADJOURNMENT

There being no further business the meeting was adjourned at 8:15.



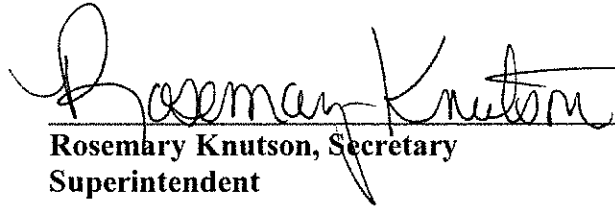
Paul Long, Board President



Paul Carras, Clerk



Scott Leaman, Superintendent



Rosemary Knutson, Secretary
Superintendent

Adopted: 12/04/07

Ayes: Haley, Carras, Stevenson, McLeod

Noes:

Absent: Long