

Beverly Hills Unified School District Minutes

Special Board of Education Meeting

December 17, 2015, 7:00 PM
Administrative Office/Board Room
255 South Lasky Drive
Beverly Hills, CA 90212

CLOSED SESSION - Administrative Office/Board Room

OPEN SESSION - Administrative Office/Board Room

Attendance Taken at 7:15 PM:

Present:

Howard Goldstein
Isabel Hacker
Lisa Korbatov
Noah Margo
Mel Spitz

Absent:

Shawn Ahdout

I. OPEN SESSION-5:30 PM

II. PUBLIC COMMENT

Minutes:

Chris Bushee addressed the Board.

III. CLOSED SESSION-5:30 PM

III.a. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

(Subdivision (d)(1) of Section 54956.9): Beverly Hills Unified School District v. Federal Transit Administration, et al., USDC Case No. CV 12-9861-GW(SS)

III.b. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

(Subdivision (d)(1) of Section 54956.9): Beverly Hills Unified School District v. Los Angeles County Metropolitan Transportation Authority (LASC Case No. BS 137606)

III.c. CONFERENCE WITH LEGAL COUNSEL-pending action of PrimeSource PM, LLC et al. v. Los Angeles County Metropolitan Transportation Authority, Los Angeles County Superior Court Case No. BS159316

IV. OPEN SESSION-CALL TO ORDER-FLAG SALUTE-7:00 P.M.

Minutes:

President Goldstein called the meeting to order at 7:15 p.m. and asked Master Gabe Goldstein to lead the audience in the Pledge of Allegiance.

V. APPROVAL OF THE AGENDA

Motion Passed: A motion was made to approve the Agenda. Passed with a motion by Noah Margo and a second by Mel Spitz.

Absent Shawn Ahdout

Yes Howard Goldstein

Yes Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

VI. AGENDA HEARING PERIOD/ADDRESSING THE BOARD

Minutes:

There was no public comment.

VII. CONSENT CALENDAR*

Motion Passed: A motion was made to approve the Consent Calendar. Passed with a motion by Noah Margo and a second by Isabel Hacker.

Absent Shawn Ahdout

Yes Howard Goldstein

Yes Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

VII.a. Personnel Reports

VII.a.1. Certificated Personnel Report

VII.b. Approval to negotiate and enter into an Agreement with an Asphalt Coating Contractor for the Cleaning, Patching, Slurry, Sealing and Striping of the Beverly Vista School Staff Parking Lot

VIII. HUMAN RESOURCES

VIII.a. Discussion-2016-2017 Calendar

Minutes:

Yolanda Mendoza reported that she has met with the Calendar Committee in regards to the 2016-2017 school calendar. She will be presenting two options to the Board. Both options include moving the start of school one week later in August. Ms. Mendoza will bring this back for a vote in January.

IX. BUSINESS AND FINANCE

IX.a. APPROVAL OF THE 2015/2016 FIRST INTERIM BUDGET WITH A POSITIVE CERTIFICATION

Motion Passed: A motion was made for APPROVAL OF THE 2015/2016 FIRST INTERIM BUDGET WITH A POSITIVE CERTIFICATION. A friendly amendment was made to direct staff to send a letter to LACOE in regards to the Karen Christiansen judgement amount. The judgement amount is closer to \$20 million dollars not \$14 million dollars.

Mrs. Korbatov and Mr. Margo accepted the friendly amendment. A roll call vote was taken. Passed with a motion by Lisa Korbatov and a second by Noah Margo.

Absent Shawn Ahdout

Yes Howard Goldstein

Yes Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

X. PLANNING AND FACILITIES

X.a. Approval of the Certification of the Final Environmental Impact Report (FEIR) on El Rodeo School, Hawthorne School and Beverly Hills High School

Motion Passed: A motion was made for Approval of the Certification of the Final Environmental Impact Report (FEIR) on El Rodeo School, Hawthorne School and Beverly Hills High School. Passed with a motion by Noah Margo and a second by Lisa Korbatov.

Absent Shawn Ahdout

Yes Howard Goldstein

No Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

Motion Passed: A motion was made to approve Resolution #2015-2015-11. Passed with a motion by Noah Margo and a second by Lisa Korbatov.

Absent Shawn Ahdout

Yes Howard Goldstein

No Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

Minutes:

President Goldstein started a Public Hearing for the Certification of the Final EIR and approval of the BHHS, El Rodeo and Hawthorne School Improvement Project.

Beverly Hills High School and El Rodeo K-8 were opened in 1927, and Hawthorne K-8 was opened in 1914. Recent surveys at these facilities indicate the architectural, structural, mechanical, electrical and plumbing systems are outdated, do not meet current instructional requirements, do not meet current building codes, and in some cases are failing. The proposed project is designed to rehabilitate the existing structures at each campus through architectural upgrades, seismic upgrades, mechanical upgrades, electrical upgrades, technological upgrades and plumbing upgrades.

Hazardous materials, primarily asbestos and lead paint are in many of the buildings and will be removed as part of the proposed project, as well as soil contaminations at BHHS and El Rodeo K-8 school. Additionally, the proposed project includes the demolition of some buildings and construction of new buildings, as well as new perimeter fencing for additional security and access control. Finally, the proposed project also includes modifications to existing and new athletic facilities, and new parking facilities.

We will begin with a presentation from staff, followed by any comments from the public. Mr. Buresh began with a power point presentation followed by discussion.

The Public Hearing is now open at 7:51 p.m.

I now invite any members of the public to present any comments on the EIR or proposed project.

The Public Hearing is now closed at 7:52 p.m.

At this time Mr. Goldstein asked for any comments from the Board.

X.b. Discussion and Board Direction on Measure E District Construction

Minutes:

Staff Direction: The Board directed staff to move forward with scenario A using only available funds

-complete Horace Mann construction

-complete phase 1 at El Rodeo

-\$5 million to Beverly Vista

-complete design construction documents at Hawthorne, El Rodeo and the high school

Staff was directed to continue with the survey for a Bond election in November 2016 to determine community support.

Staff was directed to complete the site preparation at the high school. No construction and therefore no relocation of classrooms at the high school. The delivery of the portables are on hold at this time.

The Board would like to explore adding a 4th floor to the parking structure in building C.

X.c. Request for Approval of Resolution #2015-2016-010 to Award a Contract to Veolia Energy Los Angeles, Inc., for the Purchase of Chilled Water and Related Services at Beverly Hills High School

Motion Passed: A motion was made for Approval of Resolution #2015-2016-010 to Award a Contract to Veolia Energy Los Angeles, Inc., for the Purchase of Chilled Water and Related Services at Beverly Hills High School. A roll call vote was taken. Passed with a motion by Mel Spitz and a second by Noah Margo.

Absent Shawn Ahdout

Yes Howard Goldstein

Yes Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

X.d. Approval for an Agreement with Veolia Energy Los Angeles, Inc., for the Purchase of Chilled Water and Related Services at Beverly Hills High School

Motion Passed: A motion was made for Approval for an Agreement with Veolia Energy Los Angeles, Inc., for the Purchase of Chilled Water and Related Services at Beverly Hills High School. A roll call vote was taken. Passed with a motion by Mel Spitz and a second by Noah Margo.

Absent Shawn Ahdout

Yes Howard Goldstein

Yes Isabel Hacker

Yes Lisa Korbatov

Yes Noah Margo

Yes Mel Spitz

XI. COMMUNICATION FROM THE BOARD MEMBERS

XII. FUTURE BOARD MEETINGS

**XII.a. Regular Board Meeting-Tuesday, January 12, 2016-5:00 PM-STC/Jon Cherney
Lecture Hall, Beverly Hills High School**

**XII.b. Regular Board Meeting-Tuesday, January 26, 2016-5:00 PM-STC/Jon Cherney
Lecture Hall, Beverly Hills High School**

XIII. ADJOURNMENT

Minutes:

Mr. Goldstein adjourned the meeting at 9:47 p.m.

**The following information was presented by Mr. Spitz at the Budget Study Session on
December 17, 2015:**

I want to take this opportunity to share with the board and staff, and the public, my concerns regarding the district's budget, and financial condition. To do this I've worked up a spreadsheet comparing our general fund expenditures of \$15,000 per student with that of four neighboring districts averaging \$10,000 per student. All the information is taken from the Adopted Budgets for the current school year.

The districts are listed at the bottom of the page, with their ADA, description of their schools, student/teacher ratios, standardized testing deficiency percentages, percentage of graduates matriculating to 4-year colleges, and projected reserve balances at June 30, 2016. Two of those districts, Las Virgenes and Palos Verdes Peninsula are larger than BHUSD, and two, San Marino and La Canada, are smaller.

Our district's projected expenditures per student are in the third column from the left. This is from the revised budget adopted on September 29th, after \$2.4 million was slashed from the original budget, in order to be accepted by the Los Angeles County Office of Education.

The range and average of corresponding expenditures by the four other districts are in the next two columns.

The differentials, per student and in total dollars, are in the last two columns. Our expenditures per student exceed the average of the other four districts in every expense category, except one which includes Technology.

I am convinced that we must reduce the gap between our expenditures per student and that of the other districts by at least half. That would lower our expenditures to \$12,500 per student, and save \$10 million annually to build up reserves, cope with a number of threats to solvency, and fund improvements to the educational program.

A major threat to solvency is our overlarge expenditure for certificated salaries and benefits, which is 60% greater than the average of the other districts. About half of that difference is attributable to our student/teacher ratio, which is 30% lower than that of the other districts. The other half of the differential may be due to a high percentage of long-employed teachers at the top of the salary schedule.

A second threat to solvency is the contractual commitment that ties salaries to revenue. Under that commitment certificated salaries plus benefits will increase 20% within the next three years.

A third threat to solvency is lawsuit judgments for which we have no reserve, other than the so-called "endowment" fund 17, which has not been set aside for that purpose, and may not be adequate.

A fourth threat to solvency is our inadequate reserve balance. At 1.3% of budgeted expenditures, it is well below the required minimum of 3%. The other districts have reserves of 8 to 20 %. I did not include Fund 17 in our reserve balance, because we may need every bit of it, and possibly more, to settle lawsuits.

A fifth threat to solvency is the possibility of reduced revenue. Although our Beverly Hills property tax base is robust, other sources such as government grants, oil well revenue, and the joint powers agreement could lessen, in which case we don't have reserves adequate to tide us over.

In summary, it is obvious that our student/teacher ratio (or class size) must be brought into line with the other districts. And that need not be detrimental. Our smaller class sizes have not resulted in outcomes comparable to those in the four districts.

Reducing our per-student expenditures will take time to accomplish. Meanwhile our financial condition is precarious. I recommend that staff report to the board at our next budget study session with a plan and timetable for significant cost reductions.