

**ORANGE UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION • REGULAR MEETING  
District Education Center • Board Room  
1401 North Handy Street • Orange, California**

**Thursday • March 20, 2008  
7:00 P.M. • Closed Session  
7:30 P.M. • Regular Session**

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**MINUTES**

*Board President Poutsma was absent from the meeting due to a family matter; Board Vice President Smith presided.*

**1. CALL MEETING TO ORDER**

Board Vice President Smith called the meeting to order at 7:05 p.m.

**2. ESTABLISH QUORUM**

Board Members Present for Closed Session:  
Ledesma, Moffat, Nichols, Ortega, Smith

Board Members Absent from Closed Session:  
Poutsma, Rocco

**3. PUBLIC COMMENT ON CLOSED SESSION AGENDA ITEMS**

None

**4. ADJOURN TO CLOSED SESSION**

The meeting adjourned to closed session at 7:05 p.m. to discuss the following items:

- A. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
- B. PUBLIC EMPLOYEE APPOINTMENT  
Title: Senior High School Assistant Principal (one position)

**5. CALL TO ORDER – REGULAR SESSION**

Mrs. Smith called the meeting to order at 7:30 p.m.

Board Members Present:  
Ledesma, Moffat, Nichols, Ortega, Rocco, Smith

Board Members Absent:  
Poutsma

Mrs. Smith called for a moment of silence in recognition of Mr. Phil Thoner, former teacher and coach from Villa Park High School, who passed away last week. Mr. Thoner retired from the

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District in 1997.

**6. PLEDGE OF ALLEGIANCE**

Mrs. Smith invited the student representatives from Portola Middle School to lead the audience in reciting the Pledge of Allegiance.

**7. REPORT OF CLOSED SESSION DECISIONS AS REQUIRED BY THE BROWN ACT**

The Board of Education took action to appoint Scott Soukup to the position of Senior High School Assistant Principal, effective for the 2008-09 school year.

*Mrs. Smith announced that the State of the School Report would take place before the Outstanding Customer Service recognition.*

**8. ADOPTION OF AGENDA**

**Motion No. 88**

It was moved by Mrs. Nichols, seconded by Mr. Ortega and carried by a vote of 5-1-1 (No: Rocco; Absent: Poutsma) to adopt the March 20, 2008 agenda.

**9. ANNOUNCEMENTS AND ACKNOWLEDGMENTS**

**Item 9.A. Superintendent's Report**

No Report

**Item 9.B. Board President's Report**

No Report

**Item 9.D. State of the School Report – Portola Middle School**

Stephanie Prieto, Jouseline Morales and Nicole Guerra, student representatives from Portola Middle School, gave a brief presentation regarding academics and student activities at Portola Middle School.

**Item 9.C. Outstanding Customer Service Incentive Program – “Attitude is Everything”**

The Board of Education recognized Adrian Ober, Office Manager at McPherson Magnet School, and Leroy Montoya, Payroll Technician, as recipients of the Outstanding Customer Service Award for March. Mrs. Smith presented Certificates of Recognition to both.

**Item 9.C. Board Recognition of Students, Staff and Community**

Tremone Proctor, SACBE representative from Orange High School, announced that Orange High School has donated more than \$340,000 to the Leukemia Lymphoma Society over the past years through their penny drive. Orange High has been number one in the nation for the past four years and has been showcased on television. This year, Orange High's goal is \$50,000.

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**10. APPROVAL OF MINUTES**

None to approve.

**11. PUBLIC COMMENT: Non-Agenda Items**

**Speakers**

Jason Huffnagel remarked on his disagreement of the "golden handshake" for the Superintendent and other administrative staff.

**12. ACTION ITEMS**

**Item 12.A. Resolution No. 26-07-08 Authorizing Officers of the District to Proceed to Implement a Private Placement of Orange Unified School District Taxable Retirement Health Benefits Funding Bonds and Appointing a Swap Advisor to the District with Respect to any Interest Rate Swap Agreement Entered into in Connection with Such Bonds and Other Matters Related Thereto**

During November 2007, the Board of Education approved a resolution authorizing the issuance of one or more series of Orange Unified School District Taxable Retirement Health Benefits Funding Bonds. The District currently funds the OPEB liability on a pay-as-you-go basis that requires an annual expenditure for retiree health benefits. Annual expenditures to fund this liability are increasing at rates that substantially exceed the rate of growth projected for the General Fund.

The OPEB financing model essentially refinances the current actuarial liability of the District for future retiree health benefits. The current actuarial liability eligible for OPEB financing as of October 1, 2007, based on an update of an actuarial report by The Epler Company, is \$93,763,635. This amount differs from the actuarial liability of \$182.5 million required to be reflected in the financial statements of the District according to Governmental Accounting Standards Board (GASB) Statements No. 43 and 45. The main difference is current liabilities eligible for OPEB financing cannot include any increases in health care premiums to be paid by the District since those increases need to be negotiated. GASB 43 and 45 require an assumption that health care premiums will increase by projected health care cost trends.

Funds received from an OPEB financing will be deposited in an irrevocable trust established for the investment and disbursement of funds irrevocably designated by the District for the payment of OPEB obligations. The Futuris Public Entity Investment Trust (the "Trust") as amended and restated meets those requirements as part of a retirement system established under the California Constitution and California Government Code.

Resolution 26-07-08 proposes that the District authorize officers of the District to proceed to implement a private placement of the Bonds with Dexia Credit Local and appoint Swap Financial Group, LLC, as swap advisor, for any interest rate swap agreement designed to reduce the amount of interest rate risk or lower the cost of borrowing on the Bonds. The District will have the opportunity to lock in a fixed rate if it is advantageous at some point in the future.

***Mr. Rocco left the meeting at 7:52 p.m.***

Ann Feng-Gagne, from the Dolinka Group, gave an update on the OPED bond process and presented information with regard to the resolution as presented for Board approval. Ms. Feng-Gagne gave a brief overview of the steps leading up to today. See attached report. John Baracy from Stone & Youngberg LLC provided financial back-up information.

***Mr. Rocco returned at 7:55 p.m.***

Ms. Feng-Gagne and Mr. Baracy responded to Mrs. Moffat's questions and comments. Mrs. Moffat stated that she would like more time for an independent review. Mr. Baracy encouraged the Board to move forward given the District's high credit rating and Dexia's willingness to invest in the District. Mr. Baracy compared the approval tonight to a rate-lock on a mortgage, which is a very competitive rate. The situation can be further evaluated at the April 17<sup>th</sup> meeting when this topic will be presented to the Board again.

Mr. Baracy commented further that the investment strategy for this program will be based upon a spread between interest rates that you are borrowing at and the investment return of the securities of the irrevocable trust. The purpose of the program is to borrow at a variable rate to track the investment return along with the borrowing rates.

**Motion No. 89**

It was moved by Mr. Ortega, seconded by Mrs. Nichols and carried by a vote of 5-1-1 (Abstain: Rocco; Absent: Poutsma) to approve Resolution No. 26-07-08 authorizing officers of the District to proceed to implement a private placement of Orange Unified School District Taxable Retirement Health Benefits Funding Bonds and appointing a swap advisor to the District with respect to any interest rate Swap Agreement entered into in connection with such bonds and other matters related thereto.

**Item 12.B. Public Hearing and Resolution No. 27-07-08 for Adoption of the District's Fee Justification Studies for Purposes of Increasing the Statutory School Facilities Fees for New Residential and Commercial/Industrial Development**

The District is required to approve the justification for the increase in Level I statutory fees after each statutory increase by the State Allocation Board (SAB) for residential and commercial/industrial fees. On January 30, 2008, the SAB increased the residential statutory Level I fee from \$2.63 per square foot to \$2.97 per square foot and commercial statutory Level I fees from \$0.42 per square foot to \$0.47 per square foot. A public hearing will be conducted pursuant to Government Code Section 66019(a) for the purposes of the adoption of Resolution No. 27-07-08, entitled "Resolution of the Board of Education of the Orange Unified School District Adopting Fee Justification Studies for Residential and Commercial/Industrial Development and Increasing Statutory Fees Imposed on New Residential and Commercial/Industrial Development," pursuant to Education Code Section 17620. Facility fees

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for statutory residential and commercial/industrial development will increase from \$2.63 to \$2.97 per square foot and \$0.42 to \$0.47 per square foot respectively.

### **Public Hearing**

The Board Vice President closed the regular meeting of the Board of Education and opened the public hearing at 8:36 p.m.

### **Speakers**

No speakers

The Board Vice President closed the public hearing and reopened the regular Board of Education meeting at 8:37 p.m.

### **Motion No. 90**

It was moved by Mrs. Nichols, seconded by Mrs. Smith and carried by a vote of 5-1-1 (No: Rocco; Absent: Poutsma) to adopt Resolution No. 27-07-08 increasing the statutory school fees imposed on new residential and commercial/industrial development and increasing the fees.

### **Item 12.C. Resolution Opposing the Governor's Proposed 2008-09 Budget**

#### **Speaker**

Jason Huffnagel, spoke in opposition to the Resolution Opposing the Governor's Proposed 2008-09 Budget.

#### **Introduction**

The District is concerned with the governor's proposed 2008-09 budget. In total, the governor is proposing more than \$4.4 billion reduction in education funding, including suspension of Proposition 98 in the 2008-09 budget year. Not only are these proposals fiscally catastrophic to schools, they are fundamentally inconsistent with the state's goal of improving student achievement. Voters passed Proposition 98 almost 20 years ago to ensure students and schools receive minimum funding. The voters strongly reaffirmed their support for the minimum funding law in 2005. Proposals to suspend Proposition 98 conflict with the will of the voters and jeopardize the minimum education funding levels Proposition 98 provides for students and schools. Students and schools did not create this budget problem, and their progress shouldn't be undermined because of it. Students and schools have been making progress. Reading and math scores are up across the District. This progress cannot continue with the proposed budget cuts to schools. A state budget proposal that looks at cuts alone is not a real solution, because it doesn't address California's underlying problem of inadequate and unstable revenue sources. Decision-makers cannot talk about spending cuts without also talking about increasing revenues.

#### **Comments**

Mr. Rocco spoke against the resolution.

**Motion No. 91**

It was moved by Mrs. Moffat, seconded by Mrs. Nichols and carried by a vote of 4-2-1 (No: Ledesma, Rocco; Absent: Poutsma) to adopt the attached resolution opposing the governor's proposed 2008-09 budget.

**Item 12.D. Proposed Board Policy Revisions – 6000 Series, *Instruction* – Second Reading**

At the March 6, 2008, proposed revisions for Board Policies 6000 through 6159.4 were presented for a first reading. Minor editing changes were suggested in certain policies. Those changes have been incorporated into the aforementioned policies.

**Motion No. 92**

It was moved by Mrs. Nichols, seconded by Mr. Ortega and carried by a vote of 4-2-1 (No: Ledesma; Rocco; Absent: Poutsma) to approve the proposed Board Policy revisions BP 6000 through BP 6159.4, **Instruction**, for a second and final reading.

**13. INFORMATION/DISCUSSION ITEMS**

No Items

**14. CONSENT ITEMS**

**Speakers**

No Speakers

**Motion No. 93**

It was moved by Mrs. Nichols, seconded by Mr. Ortega and carried by a vote of 5-1-1 (No: Rocco; Absent: Poutsma) to approve the consent items.

**Item 14.A. Purchase Orders List**

The Board approved the Purchase Order List dated February 25 through March 9, 2008 in the amount of \$1,532,548.75. See attached Purchase Orders List.

**Item 14.B. Warrants List**

The Board accepted the Warrants List dated February 25, through March 9, 2008 in the amount of \$2,942,205.33. See attached Warrants List.

**Item 14.C. Gifts**

The Board accepted the following gifts:

- File folders, Xerox paper and labels to Chapman Hills ES for office and school use, donated by Heritage Christian Fellowship

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- Dell Computer and Flat Panel Monitor and a Toshiba Projector to be used at Imperial ES, donated by Mrs. Sandra Cotter

**Item 14.D. Contract Services Report – Business Services**

The contract services report for Business Services was approved as follows:

**CALIF NUTRITION NETWORK ORANGE COUNTY HEALTH CARE AGENCY MINI-GRANT**

OUSD Network for a Healthy California was funded for another year by Orange County Health Care Agencies Regional as a mini grant recipient for the period of March 7, 2008 to September 30, 2008. With the assistance of OUSD Nutrition Network Coordinator Kat Soltanmorad and Network School Nurse Ms. Sharon Tipple "Follow the Leader," a PE program, will be implemented at Handy and Jordan Elementary schools. The contract funding and guidelines will permit for teacher training, student trainings and further development of a training video and training manual for other OUSD school sites to utilize. This is 40-minute weekly program for 8 weeks led by 5th & 6th grade students for 1st & 2nd grade students. This project will include impact evaluations for effectiveness.

Categorical funding/Nutrition Network.. (not-to-exceed)..\$4,800

**DAIRY COUNCIL OF CALIFORNIA TEACHER TRAINING PILOT PROJECT**

OUSD Nutrition Services has been recommended by Dairy Council of California to receive funding to provide teacher trainings at 2 OUSD schools to enhance Dairy Council materials being used in the classroom. Materials aligned to the California Teaching Standards will be used to implement lessons on nutrition education, health and physical activity. This model was developed by OUSD Network for a Healthy California and is being recognized by the Dairy Council of California as a sustainable nutrition education system to invest in at OUSD.

Categorical funding/Nutrition Network..(not-to-exceed)..\$20,000

**SUNTRUST FINANCE AND EQUIPMENT LEASING CORPORATION – VMI INC.**

At the Board meeting on March 6, 2008, the Board approved the lease purchase of 17 school buses with financing through SunTrust Equipment Finance and Leasing Corp at a rate of 2.98% for five years. The District has an urgent need to replace various audio-visual equipment items such as controllers and cameras used in the Board Room. The existing equipment is obsolete and beyond practical repair. The new equipment from VMI Inc. (lowest quoted pricing) will be added to the master lease purchase agreement and financed over five years at 2.98%.

Additional principal value..... not-to-exceed.....\$45,000

**MODTECH HOLDINGS INC/CLASS LEASING INC.**

On February 23, 2006, the Board of Education approved Resolution No. 38-05-06 to utilize the price agreement between Anaheim Union High School District and Modtech Holdings Inc./Class Leasing, Inc. for the lease of DOH/DSA approved relocatable buildings. Currently, there are 14 relocatable classrooms and one restroom building leased to provide interim housing for the phased modernization of Portola MS. Those same buildings will be used for the modernization of Sycamore ES. Because the Sycamore campus is smaller than Portola, it is more efficient to

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modernize all the permanent buildings in one phase. An additional seven relocatable classrooms are required to house the Sycamore students. These additional buildings will be pulled from Jordan ES after completion of modernization on that campus this summer. This contract is to move the buildings into location and lease them for the term of modernization, approximately one year.

Special Reserve/Capital Projects .....not-to-exceed....\$125,000

**NYBERG ARCHITECTS**

The District requires design services which include architectural drawings, electrical drawings, and specifications to obtain Division of State Architects (DSA) approval for the placement of portables at Portola Middle School. All costs associated with the installation of these portables will be expended from Quality Education Investment Act (QEIA) funds.

General Fund.....not-to-exceed..... \$18,400

**T & Y CONSTRUCTION, INC.**

The District awarded Bid No. FC6010 – Modernization – Jordan Elementary School to T & Y Construction, Inc. on December 14, 2006. Change Order Nos. 4, 5 & 6 increase the value of the contract and do not add any additional time to the contract. The cost and scope were reviewed and found to be reasonable by the architect, construction manager and staff.

Special Reserve/Capital Projects.....\$89,588

**T & Y CONSTRUCTION, INC.**

The District awarded Bid No. FC6007 – Modernization – Esplanade Elementary School to T & Y Construction, Inc. on December 14, 2006. Change Order Nos. 10, 11 & 12 decrease the value of the contract and do not add any additional time to the contract.

Special Reserve/Capital Projects.....(\$17,719)

**T & Y CONSTRUCTION, INC.**

The District awarded Bid No. FC6013 – Modernization – Portola MS to T & Y Construction, Inc. on December 14, 2006. Change Order No. 9 increases the value of the contract and does not add any additional time to the contract. The cost and scope were reviewed and found to be reasonable by the architect, construction manager and staff.

Special Reserve/Capital Projects.....not-to-exceed.....\$6,793

**Item 14.E. Acceptance of Completed Contracts and Filing of Notices of Completion**

The Board accepted the following contract(s) as complete, authorized staff to file appropriate notice(s) of completion and release the retention payment(s) to the contractor(s).

**BID NO. FC6014 – California Elementary School**

Project(s):	Modernization – Demolition and Abatement
Original Board Approval:	July 19, 2007
Original Purchase Order:	801477



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Completion Date:	February 22, 2008
Contractor:	Castlerock Environmental
Original Project Amount:	\$ 94,900
Change Order(s) Amount:	\$ -0-
Total Project Amount:	\$ 94,900
Fund(s):	Special Reserves (40)

**UNIT PRICE BID NO. 569 – Jordan Elementary School**

Project(s):	Modernization - Roof Insulation
Original Board Approval:	August 23, 2007
Original Purchase Order:	P.O. 802521
Completion Date:	February 21, 2008
Contractor:	Osowski Construction Co.
Original Project Amount:	\$ 15,521
Change Order(s) Amount:	\$ -0-
Total Project Amount:	\$ 15,521
Fund(s):	Special Reserves (40)

**UNIT PRICE BID NO. 569 – Jordan Elementary School**

Project(s):	Modernization - Ceramic Tile
Original Board Approval:	August 23, 2007
Original Purchase Order:	P.O. 804709
Completion Date:	February 28, 2008
Contractor:	Osowski Construction Co.
Original Project Amount:	\$ 38,111
Change Order(s) Amount:	\$ -0-
Total Project Amount:	\$ 38,111
Fund(s):	Special Reserves (40)

**BID No. 570 – Unit Price Contract - Replace 3 water valves, 6 gas valves and 1 cleanout box**

Project(s):	Lampson Elementary School
Board Approval:	August 23, 2007
Original Purchase Order:	804655
Completion Date:	February 27, 2008
Contractor:	Verne's Plumbing Inc.
Original Project Amount:	\$19,682.31
Change Order(s) Amount:	\$ -0-
Total Project Amount:	\$19,682.31
Fund(s):	Deferred Maintenance (14)

**Item 14.F. Personnel Report**

The Board approved the attached Personnel Report.

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**Item 14.G. Contract Services Report – Educational Services**

The Board approved the Contract Services Report – Educational Services as presented.

**THE IMAGINATION MACHINE**

The Imagination Machine will provide an assembly program for the students at Chapman Hills Elementary School during the spring of 2008. Students will submit stories written in class. Cast members from “The Imagination Machine” will build and perform a play using the student writings. Students will learn the powerful techniques of creative writing, the development of characters, plot lines, and settings through unique theater games.

Arts, Music & P.E. Grant . . . . . not-to-exceed . . . . . \$860

**Item 14.H. Study Trips**

The Board approved the following study trips:

Taft Elementary 6<sup>th</sup> Grade GATE Class - Catalina Island - March 17-18, 2008

Taft’s 6<sup>th</sup> grade GATE class, under the supervision of Jessica Norquist, will travel to Catalina Island on March 17-18, 2008. Students will study ecology in the field. This trip correlates with sixth grade science standards. Total cost per student is \$180 and scholarships are available.

Nohl Canyon Elementary Destination Imagination Team – Elk Grove, CA - April 4 & 5, 2008

Nohl Canyon’s Destination Imagination team will travel to Elk Grove to compete in the state competition on April 4-5, 2008. Destination Imagination is one of the world’s largest creativity and problem solving programs for youth of all ages. The program helps students develop unique and critical thinking skills by emphasizing creativity, problem solving, teamwork, research skills, knowledge application, presentation skills and time management. This event takes place during Spring Break. Parents of the team members will travel with their students and provide supervision. Parents will have an OUSD approved driver certificate on file prior to this trip. Total cost per student is \$200 and scholarships are available, and no substitute will be required.

Villa Park High School Junior Statesmen of America – Los Angeles– April 11-13, 2008

The Villa Park High School Junior Statesmen of America under the direction of teacher, Paul Hunt, will travel to Los Angeles to participate in the annual Passing the Torch – A New World Order Conference. Students will witness the electoral college in action during statewide election of JSA cabinet as well as participate in debates on topics relevant to current events and government policies. This conference offers an up-close look at the presidential election process.

The eight male and five female students will be accompanied by one male adult chaperone. They will be housed at the Marriott in Los Angeles. Parents will provide the transportation for their students to the hotel. Any parent driving a student other than their own will have an OUSD approved driver certificate on file prior to this trip. There is a \$135 fee for this trip and scholarships are available. There is no substitute required and the students will not miss any school days.

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El Modena HS Key Club – Sacramento, CA - April 18-20, 2008

El Modena High School Key Club under the direction of advisor Susan Hemans, will travel to Sacramento to participate in the 2008 Key Club District Convention. Students will work on responsible leadership skills while building self-esteem and character. These skills will enable Key Club members to complete more community service and follow the pledge to “build our home, school, and community.” The two male students and three female students will be accompanied by one female and one male adult chaperone. Transportation will be provided by Certified Transportation Services, Inc. and paid for by Kiwanis. Students and adults will be staying at the Hyatt Regency in Sacramento. Students will miss one day of school and one substitute will be required. The cost for the student and substitute will be covered by the Kiwanis.

**Item 14.I. Career Technical Education Facility and Equipment Grants**

The Board authorized the Superintendent or designee to ratify the submission of the eight Career Technical Education facility/equipment grants to the California Department of Education.

**Item 14.J. Course Approval: Story-Telling through Graphic Novels**

The Board approved the course presented by the District’s Curriculum Council. **Story-Telling through Graphic Novels** is an introductory critical thinking class covering the fundamentals of storytelling, story structure, and character development. Students will study and apply aspects of graphic novels including visual literacy, design elements and basic principles of cartooning. The materials covered in this class serves as a foundation for the Art of Animation 1 course.

**Item 14.K. Textbook Adoptions – 30-Day Review by Public**

The Board placed the attached list of textbooks on display for the 30-day review period.

**Item 14.L. Contract Services Report – Pupil Services**

The Board approved the Contract Services Report – Pupil Services as presented.

**ORANGE COUNTY DEPARTMENT OF EDUCATION**

The District, along with other local SELPA’s, agrees to participate in the 2007/2008 Parent Infant Education and Support Program which provides education, support and resources to families of children diagnosed with hearing loss.

Special Education . . . . . not-to-exceed . . . . . \$2,040

**Item 14.M. Special Education Non-Public Schools & Designated Instructional Services 2007-08**

The Board authorized non-public school/agency placement for the student identification numbers listed on the attached report.

**15. PUBLIC COMMENTS: Non-Agenda Items**

There were no speakers.

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**16. OTHER BUSINESS** (Board/Staff Conference and Comments)

None.

**17. ADJOURNMENT**

By call of the chair, the meeting adjourned at 8:59 p.m.

A handwritten signature in black ink, appearing to read "Kimberlee Nichols", written over a horizontal line.

Kimberlee Nichols  
Clerk of the Board