MONTEBELLO UNIFIED SCHOOL DISTRICT
Minutes of the Special Action Meeting of the Board of Education
October 2, 2017

The following members of the Board of Education were present: MEMBERS PRESENT

Dr. Lani Cupchoy, President
Ms. Joanna Flores, Clerk
Mr. Hector A. Chacon, Member
Mr. Benjamin Cárdenas, Member

Absent: Mr. Edgar Cisneros, Vice President

The following members of the executive cabinet were present: EXECUTIVE CABINET

Dr. Anthony J. Martinez Interim Superintendent of Schools/Assistant Superintendent – Instructional Services
Dr. Angel E. Gallardo Assistant Superintendent, Human Resources

Absent: Ms. Marlene M. Pitchford, Director, Classified Human Resources

Mr. Rick Olivarez, legal counsel from Olivarez Madruga Lemieux & O’Neill, LLP, was present. LEGAL COUNSEL

The meeting of the Board of Education was convened in special session by President Dr. Cupchoy at 2:30 p.m. and was opened with the Pledge of Allegiance. CALL TO ORDER - 2:30 P.M.

The agenda for the special action meeting of October 2, 2017, was presented. ADOPTION OF AGENDA

On motion of Mr. Chacon, seconded by Mr. Cárdenas, the agenda was unanimously adopted as presented by the four board members present.

Ms. Flores: Aye
Mr. Chacon: Aye
Dr. Cupchoy: Aye
Mr. Cárdenas: Aye
On motion of Mr. Chacon, seconded by RECESS TO CLOSED
Mr. Cárdenas, and unanimously carried by the four SESSION – 2:32 P.M.
board members present (Lani Cupchoy, Hector Chacon,
Joanna Flores, Benjamin Cárdenas), the special meeting of the Board of Education was recessed at
2:32 p.m. to a Closed Session for discussion of the following:

Closed Session Agenda:
a) Closed Session under Govt. Code §54957(b)(1) – Personnel Matters

Public Employee Employment/Appointment
Title: Superintendent

The Board of Education was convened in Closed
Session by the president, Dr. Cupchoy, at 2:35 p.m.
All Board Members were present with the exception of Board Member Cisneros.
The matters requiring consideration were discussed.

The meeting of the Board of Education was
reconvened in special session by President DR. CUPCHOY - 4:20 P.M.
Dr. Cupchoy at 4:20 p.m.

Mr. Rick Olivarez, legal counsel from Olivarez
Madruga Lemieux & O’Neill, LLP, reported out the
following from closed session:

a) The Board Members present conducted interviews of the final two candidates for
Superintendent of the District. The Board of Education did not select or appoint any of the
candidates interviewed and therefore did not take any final action. Therefore, there is nothing
further to report at this time.

ACTION ITEM 8-A

The preliminary budgets are based on the Local Control Funding Formula (LCFF). Through a
collaborative process, the preliminary budgets for fiscal years 2017-2018, 2018-2019, and 2019-
2020 were developed. The budgets are aligned to our annual goals, actions, services, and estimated
expenditures within a three-year planning cycle. A public hearing was scheduled for the October 2,
2018, Board of Education Meeting.

The Board of Education will be adopting the Preliminary Budgets for 2017-2018, 2018-2019, and

Dr. Cupchoy opened the public hearing and called on Caroline Larson from Vavrinek, Trine, Day &
Co., LLP, for a report.
- Timelines and Process
- Adopted Budget 2017-2018 Required Certifications
- Audit Activities Since June 29 Budget Adoption
- Accounting Activity Update
- District Enrollment Trend/Enrollment Impacts Funding Sources
- 2017-2018: LCFF 97% Fully Funded Effect of Declining Enrollment & LCFF Reaching Target
- 2017-2018 Fiscal Stabilization Plan
- Multi-Year Projection

[A copy of the presentation, “Fiscal Year 2017-2018 Budget Adoption Public Hearing October 2, 2017,” is attached to the Official Minutes of the Special Board of Education Action Meeting October 2, 2017, as pages 3a(1) through 3a(12).]

Board members discussed and had questions for Ms. Larson and Dr. Martinez. Dr. Cupchoy called on the audience for any comments or questions. Two members of the audience addressed the Board of Education with comments on the budget.

Hearing no further questions or comments, Dr. Cupchoy declared the public hearing be closed. On motion of Mr. Cárdenas, seconded by Mr. Chacon.

President Cupchoy called for a voice vote. All “aye” votes were received by the four board members present. President Cupchoy declared the motion carried.

Ms. Flores: Aye
Mr. Chacon: Aye
Dr. Cupchoy: Aye
Mr. Cárdenas: Aye

[A copy of the Budget Adoption Narrative, is attached to the Official Minutes of the Special Board of Education Action Meeting October 2, 2017, as pages 3b(1) through 3b(157).]

**ACTION ITEM 8-B**
**APPROVAL OF REVISED FISCAL STABILIZATION PLAN FOR 2017-2018**

The Los Angeles County Office of Education (LACOE) has requested that the Board adopt a Fiscal Stabilization Plan to accompany the 2017-2018 Adopted Budget. This plan is due October 8, 2017. It restores and maintains reserves at the required statutory level.

On motion of Mr. Chacon, seconded by Mr. Cárdenas, that the Board of Education of the Montebello Unified School District approve the Revised Fiscal Stabilization Plan for 2017-2018 fiscal year.
The District Adopted Budget presents the required statutory reserves for the following Fiscal Years: 2017-18, 2018-19 and 2019-20. The District’s change in financial position from June 29, 2017 is due to the commitment to the following actions to support the Budget assumptions:

- The 2017-18 Adopted Budget is projected based on employee costs of those employees on the District payroll as of September 12, 2017.
- All vacancies as of this time are either to be filled as an exchange of dollars elsewhere in the budget or as a compliant charge to a Federal or State grant or entitlement.
- Programs that are budgeted to encroach are not to incur more costs in 2017-18 than in 2016-17, with the exception of increases to step, column and statutory benefits.
- The only vacancies budgeted to unrestricted funds for being filled in 2017-18 are: 1) Superintendent, 2) Assistant Superintendent, Chief Financial Officer, 3) Assistant Superintendent, Facilities, 4) Accounting Leadership position, 5) Transportation Leadership position, and 6) Maintenance & Operations Leadership position.
- The District is to comply with the MTA settlement agreement, signed June 29, 2017. Twenty-nine (29) Montebello Teacher’s Association (MTA) members are on the District payroll due to this settlement and are considered to be employed through September 30, 2017. The Adopted Budget discontinues funding for these employees as of October 1, 2017.
- $1.1 million is budgeted for MTA column movement for MTA employees not already advanced as of September 2017. These dollars are also available to accommodate immediate District Office needs and to support traditional kindergarten.
- For 2017-18 and 2018-19, twelve (12) furlough days for certificated and classified management, and six (6) furlough days for classified supervisors and confidential management.
- A commitment to compliantly utilize the Educator Effectiveness and College Readiness awards to fund employee compensation previously paid from unrestricted funds.
- A commitment to monitor the Redevelopment Agency stream of income, reported in Fund 25, so that this funding source may repay all of the debt owed on the 2012 Certificates of Participation (COPs). The District currently has sufficient fund balance in Fund 25 to repay the debt for a minimum of three years, 2017-18 through 2018-19.
- The District will adopt a Board resolution within the next month to transfer the 2016-17 ending fund balance of $1,014,152 from the Deferred Maintenance fund to the General Fund of the District. The District will transfer the cash no later than December 31, 2017.
- The District will adopt a Board resolution within the next month to transfer the 2016-17 ending fund balance of $1,989,432.68 from the Adult Education fund to the General Fund of the District. The District will transfer the cash no later than December 31, 2017.
• The District will adopt a Board resolution within the next month to transfer
  o $717,000 from the 2004 Measure M / 1998 Measure EE General Obligation Bond funds to the General Fund of the District. This transfer will reimburse the General Fund for 2004 Measure M / 1998 Measure EE compliant expenses that were incurred in 2016-17 for facilities – related costs. The District will transfer the cash no later than December 31, 2017.
  o $2,990,942 from the 2004 Measure M / 1998 Measure EE General Obligation Bond funds to the General Fund of the District. This transfer will reimburse the General Fund for 2004 Measure M / 1998 Measure EE compliant expenses that were incurred in 2015-16 for facilities – related costs. The District will transfer the cash no later than December 31, 2017.
  o $2,840,063 from the 2004 Measure M / 1998 Measure EE General Obligation Bond funds to the General Fund of the District. This transfer will reimburse the General Fund for 2004 Measure M / 1998 Measure EE compliant expenses that were incurred in 2016-17 for Information Technology (IT) infrastructure – related costs. The District will transfer the cash no later than December 31, 2017.

• The District will no longer fund facilities and IT infrastructure expenditures from the General Fund that are compliant with Bonds passed by the voters. The District will reconsider all 2017-18 costs in process and reclassify them per Board approval.

• The District will prioritize capital needs and spend the most restrictive funds first. Investment in facilities costs will be prioritized so that the following funds are expended in order of restriction and age:
  o Measure M and Measure EE General Obligation Bonds
  o Office of Public School Construction (OPSC) Funds
  o Measure GS General Obligation Bonds
  o Capital Facilities, Fund 25 Developer Fees
  o Redevelopment Agency Funds, Fund 25. Sufficient funds must remain available for retirement of 2012 COPS debt through 2029.

• The District will continue to research 2012-2013, 2013-14, 2014-15 and 2015-16 General Fund expenses for facilities and IT-infrastructure costs incurred by the General Fund that should have been the costs of one of the capital funds of the District. These transfers will be brought forward at one time for a reimbursement transfer. Since these items are not quantified at this time, the District has not included them in the Budget Adoption.

• The District is committed to suspending the purchase of textbook adoptions for the three projected years. The textbooks ordered in 2016-17 were not received as of June 30, 2017. Therefore, the costs incurred in 2017-18 are for the 2016-17 order.
President Cupchoy called for a voice vote. All “aye” votes were received by the four board members present. President Cupchoy declared the motion carried.

- Ms. Flores: Aye
- Mr. Chacon: Aye
- Dr. Cupchoy: Aye
- Mr. Cárdenas: Aye

**ACTION ITEM 8-C**


The State of California requires as part of the Local Control Funding Formula (LCFF) that districts prepare a Local Control and Accountability Plan (LCAP). The LCAP describes how the District intends to meet annual goals for all pupils, with specific focus on English Learners (EL), low-income students and foster youth. Based on analysis of student performance data, input obtained from parents, teachers, students, classified staff and administrators, the LCAP has been written. A public hearing was held on June 1, 2017 and a copy of the Draft LCAP was posted on the District’s website. The Los Angeles County Office of Education (LACOE) has reviewed the District’s LCAP and required additional revisions that are reflected in the revised LCAP.

On motion of Mr. Chacon, seconded by Mr. Cárdenas, that the Board of the Montebello Unified School District approve the Local Control and Accountability Plan (LCAP) for the 2017-2018, 2018-2019 and 2019-2020 school years.

President Cupchoy called for a voice vote. All “aye” votes were received by the four board members present. President Cupchoy declared the motion carried.

- Ms. Flores: Aye
- Mr. Chacon: Aye
- Dr. Cupchoy: Aye
- Mr. Cárdenas: Aye

**MUSD GS BOND UPDATE**

Mr. Jeff Woods and Mr. Luis Rojas, President/CEO of Del Terra Group provided an update to the Board of Education on MUSD’s GS Bond. The Board of Education was presented with a proposed amendment to the Board approved Measure GS Project List for the First Phase of the Bond Capital Improvement Program to be approved at the next regular Board of Education meeting.
ADJOURNMENT

On motion of Mr. Chacon, seconded by Mr. Cárdenas, and unanimously carried by the four board members present (Lani Cupchoy, Joanna Flores, Hector Chacon, Benjamin Cárdenas), the special action meeting of the Board of Education was adjourned at 5:40 p.m. to the next regular meeting scheduled Thursday evening, October 5, 2017, at 6:00 p.m.

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Attested: President                Approved: Secretary