

SOLANO COUNTY BOARD OF EDUCATION

MINUTES
Regular Meeting
June 22, 2011

The Solano County Board of Education met in regular session on Wednesday, June 22, 2011, at 5100 Business Center Drive in Fairfield, California. In order to meet the June 30, 2011, budget adoption deadline, this meeting replaced the July regular meeting.

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE TO THE FLAG

Board President Larry Asera (Trustee Area 5) called the meeting to order at 6:00 PM. Michelle Coleman (Trustee Area 1) led those present in the Pledge of Allegiance to the flag.

II. ROLL CALL

Members Present

Larry Asera, President
Rozzana Verder-Aliga, Ed.D., Vice President (*arrived at 6:06 PM*)
Mayrene Bates
Michelle Coleman
Doug Ford (*arrived at 6:05 PM*)
John Galvan
Raymond Silva

Mr. Asera noted that a quorum was present as was Solano County Superintendent of Schools Jay Speck, serving as Secretary to the Board.

Others Present:

County Superintendent of Schools Office –

Rob Phillips	Janet Harden	Ann Williams
Lettie Allen	Laryn Bishop	Alton Gay
Lisette Estrella-Henderson	Sandy Austin	

Jay Davison, Capital Program Management, Inc.

III. APPROVAL AND ADOPTION OF AGENDA

Motion was made by Mr. Silva, seconded by Mr. Galvan, and unanimously carried by those present to approve the agenda as presented. Dr. Verder-Aliga and Mr. Ford were not present.

IV. CORRESPONDENCE

There was no correspondence to consider.

V. SUPERINTENDENT'S REPORT

(a) Human Resources Report

Janet Harden, Assistant Superintendent of Human Resources and Workforce Development, reported that there had been one internal promotion in the past month. Virginia Bender has moved from Distribution Clerk to Senior Account Clerk. There has been no new hiring.

(b) Meetings/Special Dates

Activity Calendars for June, July, and August were distributed. The following upcoming events were reviewed, and Board members were encouraged to participate by providing timely RSVPs to Monica Ross, Executive Assistant (399-4403, mross@solanocoe.net).

- June 29, 2011 – Solano EDC breakfast

* *Lisette Estrella-Henderson to speak on the achievement gap**

- July 4, 2011 – Solano Offices Closed – Independence Day
- July 20, 2011 – Solano EDC breakfast (*RSVP to Mrs. Ross by July 7th*)
** Congressman George Miller to speak on STEM **
- August 10, 2011 – Regular Board Meeting, 6:00 PM, SCOE
- August 16, 2011 – Special Board Meeting/Planning Session, 9:00 AM, SCOE
(*More details will follow*)

Board members also received a flyer regarding the August 8, 2011, Solano EDC golf tournament.

Mr. Speck said there will be two interdistrict attendance appeals for the Board to hear in August. Since the Board does not meet in July, both families have agreed to an extension of the timeline.

VI. UNFINISHED BUSINESS

(a) Adoption of 2011-12 Budget

A public hearing and study session was held on June 8, 2011, to review the proposed 2011-12 County School Service Fund (CSSF) budget and receive input from the community. Lettie Allen, Associate Superintendent of Administrative Services and Operations, conducted the final review of the proposed 2011-12 CSSF budget. The Board must adopt a budget by July 1, 2011.

Mrs. Allen mentioned that a state budget had been passed since the June 8th Board meeting, but the Governor had vetoed it causing legislators to continue their work and leaving the state without a budget again.

The budget binders are complete with the addition of the state forms sent to the Board members for review prior to the meeting. There have been no changes to the budget since the last meeting. The state forms contain a summary of the state's standards that have been met or handwritten explanations for those not met. Sometimes the reason a standard was not met is due to one small change. For example, ARRA funds were received one year but not the next causing a drop in our budget and an unmet standard.

Mrs. Coleman asked if SCOE's budget included hiring another teacher for the Juvenile Detention Facility (JDF) now that Fouts Springs Youth Facility will be closing. Mr. Speck stated that the Fouts closing was unanticipated and not planned for in the budget. If JDF enrollment increases as a result of the closure, SCOE may hire a temporary teacher until the enrollment stabilizes, and then a teacher can be hired based on the expected ADA.

Motion was made by Mrs. Coleman, seconded by Dr. Verder-Aliga, and unanimously carried by a roll call vote of those present to adopt the 2011-12 County School Service Fund Budget as presented. Mr. Speck thanked the Board for its questions about the budget and support as we move through challenging financial times.

VII. NEW BUSINESS

(a) Golden Hills Classroom Project Lease/Leaseback

Mrs. Allen gave an overview of the six-classroom project at Golden Hills that has been approved by the State Allocation Board (SAB) but is unfunded at this time. In order to move forward and prepare for potential SAB priority funding in the fall, it has been determined that the lease/leaseback method of procurement is the most efficient and expedient option to ensure that SCOE will be able to meet the 90-day requirement for the start of construction when funds become available.

She introduced Alton Gay, Manager of Facilities/Maintenance/Operations, and Jay Davison, President of Capital Program Management (CPM) Inc. She distributed a packet of information including a copy of her PowerPoint presentation, floor plans, project timelines, a matrix of

various types of contracts available for such projects, a list of frequently asked questions, and information about the lease/leaseback method and benefits of moving forward with this option.

Mrs. Allen provided a brief history of the state's facilities program and gave an overview of the current program along with the role of the State Allocation Board (SAB), Office of Public School Construction (OPSC), and the Department of State Architects (DSA).

The SAB approves financing and sells bonds to get the funding for construction projects. SCOE needs to modernize, but, because the available funding is minimal, the state created a priority funding method where recipients must be able to begin construction within 90 days of approval. That is SCOE's goal now. Previously, agencies had to be on a waiting list, but the process is different now because SAB does not want the recipients to just hold the money for a long period of time when others are waiting for funds.

The OPSC oversees the financial hardship program and determines eligibility for funds.

The DSA makes sure construction is within code, and all required structural elements are present (e.g., sufficient parking, proper energy sources, etc.).

SCOE began applying for financial hardship funds in 2004 and was approved in 2006 after taking care of some requirements such as moving funds in accordance with law, paying off the administration building, etc. Unfortunately, hardship funds have to be applied for every six months, so SCOE received approval again in 2008. Through the years as we waited for funding, SCOE's needs changed, and the Golden Hills project had to be revised to serve younger students instead of the adults for whom it was originally intended. The building will now serve six alternative education classrooms that can be used for special education or other purposes as well. SCOE received approval in November 2010, but it was unfunded. We are now waiting for priority funding in the fall.

The red tape involved in school construction is very complicated and time consuming for staff. CPM is assisting SCOE because we are a small organization and cannot risk missing a step or it could cause further delays and be very expensive. SCOE is also using legal counsel and an OPSC consultant on our team. Due to their experience and knowledge in this process, these organizations answer questions for us and advise us which has saved us time and money.

Mrs. Allen provided a status on several of SCOE's current projects:

- Golden Hills – unfunded approval for six alternative education classrooms
- T.C. McDaniel Center – modernization and new construction has been approved by DSA
- Irene Larsen Center – modernization and new construction is under review by DSA

Representatives from the various programs at Golden Hills have been part of the planning team to consider the best future use of the Golden Hills facilities. Hardship funding is a set amount, so SCOE cannot spend more or less than the amount given by the state.

Mr. Davison reviewed various options for procuring construction funds. He then explained why the lease/leaseback method was recommended. This method is found in the Education Code and has been successfully used in the Vacaville Unified School District and many other places. It involves leasing owned property to a chosen contractor who builds on it and then leases it back to the county office of education or district. This method offers flexibility with contractors, more collaboration than the typical bidding process, a guaranteed maximum price, limited change orders, and it is not governed by public contract code. Lease/leasebacks are designed to shift more responsibility onto the contractors and will provide SCOE with as much protection as possible.

Mrs. Allen stated that the resolution being considered by the Board gives SCOE the authority to seek applications and work through the lease/leaseback process. This will help make SCOE ready to receive hardship funds once they are released in the fall. To be considered, SCOE

must submit a letter of intent in July. If funds run out before getting to us, SCOE would need to send a letter of intent in January for the spring disbursement.

CPM was chosen to assist SCOE due to its excellent qualifications, solid reputation, and great track record of prior projects. Unlike school districts, county offices of education do not have to use a bid process to select contractors. Our contract with CPM is approximately \$150,000 for about 18 months of work. The architect was selected in an interview process, and the costs have already been expended. SCOE's anticipated award from the state is estimated to be \$4.6 million, which is based on a certain amount per student.

Any savings on the project will be used to upgrade the equipment placed inside the structure for the students use.

The Fairfield-Suisun Unified School District (FSUSD) currently owns the land at Golden Hills and leases it to SCOE. Mrs. Allen said that, upon Board approval of the lease/leaseback resolution, SCOE will seek an extension from FSUSD on our lease of the land. The lease/leaseback process requires a 40-year lease (until 2051), but the time remaining on our existing lease is not that long.

There were many questions by the Board, and Mr. Asera recommended that the Board form a subcommittee to study the project in greater detail and take more of a role in the process. In addition to him, Dr. Verder-Aliga and Mrs. Coleman volunteered to serve on the subcommittee. Mrs. Bishop will coordinate a meeting date.

Mrs. Allen asked the Board to approve the lease/leaseback resolution authorizing SCOE to request qualifications, solicit entities, and move forward with the process so we will not miss the state's deadline for submitting a letter of intent. Since this is a financial hardship project, funding can change very quickly. Missing the deadline will move SCOE further down on the list to receive funding, and certain changes to the project at this stage will cause SCOE to have to start the process all over again.

Mr. Speck suggested that the Board consider the subcommittee's work as a separate matter from the lease/leaseback resolution that will allow SCOE to proceed with the process. It was agreed that the subcommittee would be a better venue to discuss project development, construction, design, and costs in greater detail so as not to delay the overall process.

Motion was made by Mrs. Bates, seconded by Mr. Galvan, and carried unanimously by a roll call vote of those present to adopt Resolution No. B10-11-35 as presented. (Attachment A)

Mr. Speck thanked the Board for passing the resolution so work can move forward. He believes it will be good to have the subcommittee because he values the Board's opinions.

(b) Proclamation Honoring the Retirement of Robert Phillips

A proclamation was distributed for the Board's consideration honoring the retirement of Rob Phillips, Associate Superintendent of Student Programs and Educational Services. Mr. Speck stated that Mr. Phillips had meant a tremendous amount to SCOE as well as the students in our county. Mr. Asera presented Mr. Phillips with a gift representing Vallejo.

Motion was made by Mr. Ford, seconded by Mrs. Bates, and unanimously carried by a roll call vote of those present to adopt the proclamation as presented, recognizing Mr. Phillips' 10 years of dedicated service to the Solano County Office of Education and a total of 36 years of committed work in the field of education.

VIII. COMMENTS FROM THE COMMUNITY

Mr. Phillips said he appreciated the relationship between the Board and SCOE staff, and tonight's meeting was a good example. When issues arise, they are discussed rationally and respectfully. He considers it an honor to have worked with the Board members and knows that not everyone has this kind of constructive working relationship with their boards.

Ann Williams, School Nurse and President of the Solano County Education Association (SCEA), said she also appreciates the Board's questions and interactions with staff because she has learned a lot.

IX. BOARD DISCUSSION

(a) Board Member Reports

Some of the Board members gave a brief report on their recent activities including visits to any of SCOE's program sites.

Mr. Silva said he and several of the Board members attended Mr. Phillips' retirement party.

Dr. Verder-Aliga attended the funeral of Cris Oggee Villanueva, member of the Vallejo City Unified School District's (VCUSD) Governing Board, and she requested that tonight's meeting be adjourned in his honor.

Mr. Galvan attended graduations in Benicia, and he wished everyone great summer.

Mrs. Bates said she and Mr. Speck attended the Solano Stimulus Forum hosted by the business community and the Solano County Board of Supervisors. She also attended a celebration at the Gomer Historical School, Association of California School Administrators (ACSA) retirement luncheon, Tops in Blue travelling Air Force band event at the Suisun waterfront, and graduations at Golden Hills for transition students, the community school, Rodriguez High School, and Fairfield High School.

Mr. Ford also attended the Solano Stimulus Forum and is concerned about the community development discussion that took place there. He plans to write about it in his upcoming newspaper column and encouraged the members to read it when it is published on Monday.

Mrs. Coleman attended the first graduation ceremony held for the students of the Matt Garcia Learning Center, as well as graduations at Sem Yeto Continuation High School, Rodriguez High, Armijo High, and Fairfield High. She would be pleased to attend functions in other districts, too, when invited.

Mr. Speck said he will talk to the district superintendents about next year's graduation invitations. Due to illness, he was unable to attend any of the week's graduation activities. He stated that he and Mrs. Allen have met with representatives of the Gomer Historical Association about the high cost of maintaining the facility. SCOE is looking at options to determine what to do with the property because we do not want to see it torn down, but it has particular zoning requirements.

Mr. Asera said he worked with Mr. Speck and Ms. Bishop on issues surrounding the process for filling the vacancy on the VCUSD Governing Board left by Mr. Villanueva's passing.

(b) Suggestions on future Board agenda items

There were no suggestions for future agenda topics.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:58 PM in honor of Cris Oggee Villanueva, Vallejo City Unified School District Governing Board member, who recently passed away.

Attachment: (A) Resolution B10-11-35

SOLANO COUNTY BOARD OF EDUCATION
Solano County, California

RESOLUTION NO. B10-11-35
AUTHORIZATION OF LEASE-LEASEBACK PROCUREMENT PROCESS
RELATING TO ALL FACILITIES CONSTRUCTION PROJECTS

WHEREAS, the Solano County Office Of Education (SCOE) desires to modernize, renovate, and/or construct new and existing buildings (Project) on property it has leased from the Fairfield-Suisun Unified School District (FSUSD) located in the County of Solano, California; and

WHEREAS, SCOE intends to use a Lease-Leaseback Procurement Process to select the best qualified Entity based on criteria stated in a Request for Qualifications (RFQ). At the conclusion of the selection process, the Board will be presented with the recommendation for the best qualified Entity and the associated agreement(s) outlining the terms and conditions of the Lease-Leaseback agreement(s); and

WHEREAS, Education Code Section 35160 allows “school districts,” which includes county offices of education, to “act in any manner which is not in conflict with or inconsistent with, or preempted by, any law and which is not in conflict with the purposes for which school districts are established”; and

WHEREAS, the contemplated modernization, renovation, and/or construction of new and existing buildings on school district property is not in conflict with, or inconsistent with, or preempted by, any law and is not in conflict with SCOE’s purposes, and the use to which the property will be put, after construction thereon, is consistent with the use or purposes contemplated upon the original lease of the property from FSUSD; and

WHEREAS, SCOE will be expending funds for purposes which are necessary or desirable in meeting its needs, and not inconsistent with the purposes for which the funds were appropriated; and

WHEREAS, Education Code Section 17406 authorizes the board of a school district, without advertising for bids, to let to any person, firm, or entity any real property belonging to the district if the instrument by which such property is let requires the lessee to modernize, renovate, and/or construct on the demised premises, a building or buildings for use of the school district during the term thereof, and provides that title to the building shall vest in the school district at the expiration of that term; and

WHEREAS, the use of the procedure provided for in Education Code Section 17406 is an established and reasonable methodology to modernize, renovate, and/or construct buildings for school purposes; and

WHEREAS, SCOE has available a site, as leased from FSUSD, upon which a building to be used by SCOE may be constructed; and

WHEREAS, it is in the best interest of SCOE to use the Lease-Leaseback procurement process for the modernization, renovation, and/or construction of the Project, subject to the selection of the best qualified Entity in response to the RFQ; and

WHEREAS, prior to presenting the Board with a recommendation for the best qualified Entity and the associated Lease-Leaseback agreement(s), the plans and specifications for the Project will have been prepared and submitted for approval to The Division of the State Architect (Construction Documents) which shall be incorporated, upon final approval, into any subsequent agreements in the Lease-Leaseback agreement(s).

RESOLUTION NO. B10-11-35 (Continued)

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education of the Solano County Office of Education does hereby determine and order as follows:

Section 1. Recitals. All of the recitals herein contained are true and correct.

Section 2. Amendment of Lease from the FSUSD. To negotiate and secure amendment of the lease of the site from FSUSD to include an extension of the lease term to no earlier than December 31, 2051. Securing an amendment to the lease from FSUSD is a condition precedent to the authority to proceed with the Lease-Leaseback methodology authorized herein.

Section 3. Lease-Leaseback Procurement Process. To use the Lease-Leaseback process for the Project and to form the applicable Lease-Leaseback instruments, consistent with the authority and restrictions contained in Education Code Section 17406.

Section 4. Delegation and Other Acts. The President of the Board, other officers of SCOE and SCOE's Superintendent are hereby authorized and directed to do any and all things, to execute and deliver any and all documents which, in consultation with the staff, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby approved, ratified, and confirmed. This delegation includes, without limitation, administration of the RFQ and recommendation to the Board of a Lease-Leaseback Entity.

Section 5. Effective Date. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED this 22nd day of June 2011, by the Solano County Board of Education, Solano County, California, by the following vote:

AYES: Mrs. Bates, Mrs. Coleman, Mr. Ford, Mr. Galvan, Mr. Silva, Dr. Verder-Aliga,
 Mr. Asera

NOES: None

ABSTAIN: None

ABSENT: None

CERTIFICATION

I, Jay Speck, secretary to the Solano County Board of Education, Solano County, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by said Board at a regular meeting thereof held on the above stated date, which resolution is on file in the office of said Board.

Signature on File
Secretary's Signature

June 22, 2011
Date