

Board Meeting of
May 9, 2012

TO: Board of Education

FROM: Constance Hubbard, Superintendent
Terra Salazar, President, Association of Piedmont Teachers

SUBJECT: **CONDUCT PUBLIC HEARING AND APPROVE CONTRACT REOPENER PROPOSALS FOR 2012-14 NEGOTIATIONS BETWEEN THE DISTRICT AND THE CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION (CSEA), CHAPTER 60**

I. SUPPORT INFORMATION

This is the second of two Public Hearings of the proposed contract re-openers between the District and California School Employees Association (CSEA), Chapter 60. The re-openers are "sunshined" for a minimum of two weeks to provide the public the opportunity to comment for Board consideration in its direction to District negotiators. The public is afforded the opportunity to provide comment this evening prior to the Board taking action. Approval by the Board of Education of the identified articles to be re-opened signals the start of the negotiations process, which from that point is confidential.

Attached is the request from CSEA not to submit any articles to re-open for 2012-13. Also attached is the Memorandum of Understanding confirming CSEA's agreement to participate in the furlough days for 2012-13 and 2013-14. The previous agreement was only to cover the current year as to furlough day participation. The California School Employees contract can be viewed on the District website at:

http://www.piedmont.k12.ca.us/forms/jobs/classified_contract.pdf

In discussions with the Association, the District Negotiations team was willing to recommend that no negotiations be opened at this time upon agreement that negotiations will begin immediately the second week of November 2012 to discuss the implications from the outcome of the November 6, 2012 election initiatives. It is currently projected that the initiatives may affect California public school funding as of the 2012-13 school year in the form of mid-year reductions. The District requests that CSEA agree to the automatic opening of discussions regarding salary and benefits as soon as possible the second week of November. See attached memo clarifying the agreement to open negotiations immediately after the November 2012 election to discuss salary and benefits.

Revision of Sunshine proposal as presented April 17, 2012:

Upon discussion with the Association, the District requests that one article, "Article 4 - Evaluation" is opened for negotiations this year. The interest identified is to align the probationary period for employees with the academic school year and to improve the tools/timing for evaluation of classified employees. The work on

evaluation procedures for APT and the Administrators created the necessity to change some procedures for members of CSEA.

CSEA and the District will agree on clarifying language as to the application of the benefits capped contribution toward employees. Since this is the first year of the application of the annual cap, issues have surfaced for all employee groups as to rights of employees whose circumstances vary from the annualized formula. The District will be coordinating with all employee groups for the uniform application of benefits.

Any person wishing to provide information concerning the articles to be re-opened may communicate with members of the Board of Education and the Superintendent via email, phone or in writing.

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Rick Raushenbush Board Vice President	rraushenbush@piedmont.k12.ca.us
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Sarah Pearson Board Member	spearson@piedmont.k12.ca.us
Constance Hubbard Superintendent	chubbard@piedmont.k12.ca.us

II. RECOMMENDATION: REVIEW AND ACTION

Conduct final Public Hearing on the proposed articles to be opened for negotiations between CSEA, Chapter 60 and the District: Only open Article 4 – Evaluation Procedures, and agree to open Article 12 - Salaries and Article 19 - Health Benefits November, 2012 without additional sunshine period required. Per previous agreement, additional articles up to two each for CSEA and the District may be sunshined for re-opening as part of 2012-13 regular negotiations process separate from and in addition to discussions concerning salary and benefits.

CH/ss

Piedmont Unified School District
760 Magnolia Avenue
Piedmont, CA 94611

M E M O R A N D U M

To: Constance Hubbard, Superintendent
From: Terra Salazar, President of CSEA, Chapter 60
Date: April 18, 2012
Subject: **Clarification of CSEA Reopeners**



This is to verify the intent of CSEA's interests to not open any articles as part of the 2011-12 negotiations process. This also serves to clarify that the current "sunshine" process meets the requirement to open Article 12-Salaries and Article 19-Health Benefits immediately after the election in November 2012 to discuss the implications of the outcomes of the tax initiatives on the ballot. It is understood that discussions could include implications for the current (2012-13) compensation agreement in addition to that for 2013-14.

CSEA and the District reserve the right to open up to two additional articles as part of the 2012-13 negotiations process. Opening of additional articles will require the traditional sunshine timeline and process.

MEMORANDUM OF UNDERSTANDING
BETWEEN CSEA AND ITS PIEDMONT CHAPTER 60
AND THE PIEDMONT UNIFIED SCHOOL DISTRICT

The Piedmont Unified School District (District) and the California School Employees Association (CSEA) and chapter #60 have agreed to amend as follows the Memorandum of Understanding (MOU) as approved on May 11, 2011 and included as part of the current Contract, which expires 2014:

CSEA wishes to contribute to minimizing the impact of the budget crisis. As a result, for the 2012-2013 and 2013-14 school years, the District and CSEA agree, subject to ratification by the bargaining unit:

1. The classified work year will be reduced as follows:
 - a. Three (3) days of scheduled paid days shall be taken as unpaid non-duty days (furlough days)
 - b. The furlough days will be decided by agreement of both parties and placed on the work calendars for all nine (9), ten (10), eleven (11) and twelve (12) month employees.
2. There shall be no change in service credit reported towards retirement, annual fringe benefits, vacation days earned, holiday pay (except as stated), and sick leave benefits due to this agreement.
3. Pay reduction due to the three (3) furlough days shall be divided evenly through the year (according to the current pay period for each unit member).
4. In the event that furlough days are reinstated for certificated staff ("bought back") for 2012-13 and/or 2013-14 CSEA shall be entitled to the following:
 - i. If 1 or 2 days are bought back, CSEA will have 2 furlough days for that year.
 - ii. If 3 or 4 days are bought back, CSEA will have 1 furlough day for that year.
 - iii. If 5 days are bought back, CSEA will have no furlough days for that year.

This MOU shall only be effective for 2012-13 and 2013-14 school years and expires on June 30, 2014. Effective upon approval of membership, the current contract language for Article 16.1 A shall prevail unless a new agreement is reached by the District and CSEA by June 30, 2014.

Tentative Agreement:


CSEA President/Date

 1/24/2012
Superintendent/Date

TO: Board of Education

FROM: Constance Hubbard, Superintendent

SUBJECT: **2013 PARCEL TAX ELECTION
REVIEW, PLANNING AND DIRECTION**

I. SUPPORT INFORMATION

The Piedmont community has approved seven school parcel tax initiatives since 1985. Parcel tax measures were initiated after the 1978 passage of Proposition 13, which caused a shift in support for schools from mostly local property tax funding to primarily state taxes, in addition to declines in state spending on education. The community identified the school parcel tax authorization as a means for Piedmont to maintain a measure of local control to preserve excellence in Piedmont's public schools.

The most recent School Parcel Tax Measures B & E were approved by Piedmont voters in June 2009.

- School Parcel Tax Measure E, a temporary emergency assessment intended to offset the loss of state funds, expires at the end of this fiscal year (June 30, 2012). It was anticipated that Measure E would be sufficient to bridge the funding gap from the State during the economic crisis. California's recovery has been slower than economists predicted and school districts are still experiencing a decline in State funding.
- The purpose of School Parcel Tax Measure B, which expires June 30, 2014, was "to prevent existing funding from expiring and maintain Piedmont's excellent quality of public education by attracting and retaining qualified teachers, maintaining small class sizes, and protecting instructional programs and services, including art and music, foreign language, AP, school libraries, classroom technology, and student counseling." It is vital that students continue to have access to these core program offerings.

Because Measure B provides approximately 30% of the operational budget, it is a critical source of funding to our school district. It is important that we begin planning now for a campaign to renew the school parcel tax measure due to expire in 2014, in order to continue the 29-year history of support for Piedmont's public school system. To facilitate the District's multi-year budget planning process, the campaign to renew a school parcel tax measure traditionally takes place in the year before its expiration.

Planning for a school parcel tax campaign typically takes place in two phases: 1) a planning phase, where forecasting and financial analysis is conducted to estimate the District's financial needs over the term of the proposed assessment and to recommend the amount and structure of the school parcel tax; and 2) the campaign

phase where a team of volunteers educates the community on the need for the local assessment and garners support to pass the initiative. Co-chairs are identified to oversee both phases of the effort and work with the District's administration and with pro bono support from political consultant, Larry Tramutola, of Tramutola/Advisors.

The Professional Learning Community (PLC) protocol as reviewed at the April 17, 2012 Board Meeting as part of the 2011-12 Action Plan Update, includes the following steps:

1. The Board of Education's responsibility is to set the Goals and Guiding Principles for the District.
2. The Superintendent and Administrative staff develop a Tactical Approach to implement the goals in alignment with the guiding principles.
3. The Operational Responses are the activities that result in the achievement of the goals.

Application of the Professional Learning Community protocol as it applies to the renewal of the current School Parcel Tax Measure B, begins with the Board discussion of:

Current Board Goal #5: "Develop & Implement a Sustainable Plan to Balance the Budget," with the guiding principle: "Over the long term, stabilize the local taxpayers' share (percentage) of funding the District's budget by reducing the growth rate of local parcel taxes."

Based on the above goal and guiding principle, the following is an outline of a tactical approach that is slightly different from the approach in previous years.

Since 2008, because of the severe adverse impact of the state economic crisis on our school district, the District has conducted more frequent forecasting and financial scenario analysis in developing its annual budgets, and has received annual feedback and recommendations from the Citizens Advisory Committee for School Parcel Tax Measures B & E on the levy amount, including the voter-authorized increase. In addition, the Board has established a practice of developing guiding principles for multi-year budget development that includes monitoring the growth of the current "footprint" (e.g., student programs, employee compensation) and reducing the growth or dependence on community taxes and donations.

- Instead of limiting the first phase of the effort to the identified community co-chairs and the District's administration, I recommend that we seek advice from a small team of community leaders who have historical expertise in school parcel tax elections and collectively are representative of the broader community. This community team would work with the District's administration and pro bono consultant to develop a plan for the renewal of the existing school parcel tax measure.
- In addition, the planning team would help identify a chair or co-chairs for the second phase - to lead the campaign effort. Ideally, a chair or co-chairs could be identified early in the planning process, so that the chair(s) could benefit from the strategic support and expertise of the planning team.

- Because much of the financial analysis, forecasting and scenario planning has been conducted on an annual basis since the passage of Measures B & E in 2009, the focus of the planning team would be to discuss strategic issues, assess voter receptivity for a renewal, and make recommendations on the proposed levy amount and tax structure.

The Board is requested to review and confirm the Goal and Guiding Principle regarding the budget and school parcel tax renewal. Based on the discussion, the Board is asked to review the proposed Tactical Approach and provide feedback/direction to staff. The Superintendent will implement a plan based on the direction provided this evening. An update on next steps will be presented at the May 23, 2012 Board Meeting to ensure the school parcel tax renewal effort stays on track as planned.

II. **RECOMMENDATION: REVIEW AND ACTION**

Discuss and provide direction on the Goal and Guiding Principle and Tactical Approach to be used in planning for the renewal of the school parcel tax. Provide direction on the selection criteria for members of the planning team and campaign co-chair(s).

CH/ss

Board Meeting of
May 9, 2012

TO: Board of Education

FROM: Constance Hubbard, Superintendent
Michael Brady, Assistant Superintendent, Business Services

SUBJECT: **REVIEW OF ACTUARIAL REPORT FOR COMPLIANCE WITH
GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB45)
AS THEY RELATE TO THE REPORTING OF ACTIVE/RETIRED
DISTRICT EMPLOYEE BENEFITS**

I. **SUPPORT INFORMATION**

The Piedmont Unified School District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of September 1, 2011 (the "valuation date"). The numbers in the report are based on accounting entries for the fiscal year ending June 30, 2011, and the actuarial study is intended to provide information to help the District assess and manage the costs and liabilities associated with retiree health benefits. The report also enables the District to communicate the financial implications of retiree health benefits to the Board and to the community. Finally, the report complies with Governmental Accounting Standards Board Accounting Standards 43 and 45, which are related to "other postemployment benefits" also known as OPEB's.

All cost and liability figures contained in the study are estimates based on conditions as of September 1, 2011, though future cost assumptions do not include the most recent changes to the collective bargaining agreements between the District and its employee associations. At the time Total Compensation Systems, Inc. was contracted to complete the GASB45 report, the 2009-2011 contract provisions regarding health benefits were in force. Thus, the current report depends on future actuarial assumptions (including inflation and benefits trend rates) that are no longer fully applicable as a result of a cap on medical benefits. Total Compensation Systems, Inc. has offered to revise its report based on the most updated version of PUSD contracts for a reduced fee. The District's next actuarial report will not be required until 2013.

II. **RECOMMENDATION: REVIEW**

Review actuarial report.

MB/ss
Attachment

**Piedmont City Unified School District
Actuarial Study of
Retiree Health Liabilities
As of September 1, 2011**

*Prepared by:
Total Compensation Systems, Inc.*

Table of Contents

PART I: EXECUTIVE SUMMARY	3
A. INTRODUCTION.....	3
B. GENERAL FINDINGS.....	4
C. DESCRIPTION OF RETIREE BENEFITS	4
D. RECOMMENDATIONS.....	5
PART II: BACKGROUND	7
A. SUMMARY	7
B. ACTUARIAL ACCRUAL.....	7
PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS	9
A. INTRODUCTION.....	9
B. MEDICARE.....	9
C. LIABILITY FOR RETIREE BENEFITS.....	9
D. COST TO PREFUND RETIREE BENEFITS	10
1. <i>Normal Cost</i>	10
2. <i>Amortization of Unfunded Actuarial Accrued Liability (UAAL)</i>	11
3. <i>Annual Required Contributions (ARC)</i>	11
4. <i>Other Components of Annual OPEB Cost (AOC)</i>	12
PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS	13
PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS	14
PART VI: APPENDICES.....	15
APPENDIX A: MATERIALS USED FOR THIS STUDY.....	15
APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS	16
APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS.....	17
APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE	21
APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES.....	22
APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS.....	24

Piedmont City Unified School District
Actuarial Study of Retiree Health Liabilities

PART I: EXECUTIVE SUMMARY

A. Introduction

Piedmont City Unified School District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of September 1, 2011 (the valuation date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2011. If the report will first be used for a different fiscal year, the numbers will need to be adjusted accordingly.

This report does not reflect any cash benefits paid unless the retiree is required to provide proof that the cash benefits are used to reimburse the retiree's cost of health benefits. Costs and liabilities attributable to cash benefits paid to retirees are reportable under Governmental Accounting Standards Board (GASB) Standards 25/27.

This actuarial study is intended to serve the following purposes:

- » To provide information to enable Piedmont City USD to manage the costs and liabilities associated with its retiree health benefits.
- » To provide information to enable Piedmont City USD to communicate the financial implications of retiree health benefits to internal financial staff, the Board, employee groups and other affected parties.
- » To provide information needed to comply with Governmental Accounting Standards Board Accounting Standards 43 and 45 related to "other postemployment benefits" (OPEB's).

Because this report was prepared in compliance with GASB 43 and 45, as appropriate, Piedmont City USD should not use this report for any other purpose without discussion with TCS. This means that any discussions with employee groups, governing Boards, etc. should be restricted to the implications of GASB 43 and 45 compliance.

This actuarial report includes several estimates for Piedmont City USD's retiree health program. In addition to the tables included in this report, we also performed cash flow adequacy tests as required under Actuarial Standard of Practice 6 (ASOP 6). Our cash flow adequacy testing covers a twenty-year period. We would be happy to make this cash flow adequacy test available to Piedmont City USD in spreadsheet format upon request.

We calculated the following estimates separately for active employees and retirees. As requested, we also separated results by the following employee classifications: Certificated, Classified and Management. We estimated the following:

- the total liability created. (The actuarial present value of total projected benefits or APVTPB)
- the ten year "pay-as-you-go" cost to provide these benefits.
- the "actuarial accrued liability (AAL)." (The AAL is the portion of the APVTPB attributable to employees' service prior to the valuation date.)

Total Compensation Systems, Inc.

- the amount necessary to amortize the UAAL over a period of 30 years.
- the annual contribution required to fund retiree benefits over the working lifetime of eligible employees (the "normal cost").
- The Annual Required Contribution (ARC) which is the basis of calculating the annual OPEB cost and net OPEB obligation under GASB 43 and 45.

We summarized the data used to perform this study in Appendix A. No effort was made to verify this information beyond brief tests for reasonableness and consistency.

All cost and liability figures contained in this study are estimates of future results. Future results can vary dramatically and the accuracy of estimates contained in this report depends on the actuarial assumptions used. Normal costs and liabilities could easily vary by 10 - 20% or more from estimates contained in this report.

B. General Findings

We estimate the "pay-as-you-go" cost of providing retiree health benefits in the year beginning September 1, 2011 to be \$416,238 (see Section IV.A.). The "pay-as-you-go" cost is the cost of benefits for current retirees.

For current employees, the value of benefits "accrued" in the year beginning September 1, 2011 (the normal cost) is \$249,044. This normal cost would increase each year based on covered payroll. Had Piedmont City USD begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. We estimate the amount that would have accumulated to be \$5,250,572. This amount is called the "actuarial accrued liability" (AAL). The remaining unamortized balance of the initial unfunded AAL (UAAL) is \$4,304,008. This leaves a "residual" AAL of \$946,564.

The AAL increased by \$1 million over the April 1, 2009 valuation. More than \$600,000 of this increase is due to additional benefit accruals for two-and-a-half years of service since the prior valuation. The remaining increase is attributable to new CalPERS and CalSTRS demographic assumptions (i.e. mortality, retirement and turnover).

We calculated the annual cost to amortize the residual unfunded actuarial accrued liability using a 5% discount rate. We used an open 30 year amortization period. The current year cost to amortize the residual unfunded actuarial accrued liability is \$41,926.

Combining the normal cost with both the initial and residual UAAL amortization costs produces an annual required contribution (ARC) of \$490,654. The ARC is used as the basis for determining expenses and liabilities under GASB 43/45. The ARC is used in lieu of (rather than in addition to) the "pay-as-you-go" cost.

We based all of the above estimates on employees as of September, 2011. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

C. Description of Retiree Benefits

Following is a description of the current retiree benefit plan:

Total Compensation Systems, Inc.

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Benefit types provided	Medical and dental	Medical and dental	Medical and dental
Duration of Benefits	To Medicare age*	To Medicare age**	To Medicare age***
Required Service	10 years	15 years	15 years
Minimum Age	55	55	55
Dependent Coverage	No	No*	No*
District Contribution %	100%	100%	100%
District Cap	Least costly single coverage	Least costly single coverage	Least costly single coverage

*Those hired prior to 7/1/01 may receive \$100 per month toward the cost of Medicare Supp coverage

**Those hired prior to 7/1/89 receive lifetime coverage and may cover dependents. Those hired after 7/1/89 and before 7/1/08 may receive \$100 per month toward Medicare Supp for number of years equal to length of service

***Those hired prior to 7/1/08 may receive \$150 per month toward Medicare Supp

D. Recommendations

It is outside the scope of this report to make specific recommendations of actions Piedmont City USD should take to manage the substantial liability created by the current retiree health program. Total Compensation Systems, Inc. can assist in identifying and evaluating options once this report has been studied. The following recommendations are intended only to allow the District to get more information from this and future studies. Because we have not conducted a comprehensive administrative audit of Piedmont City USD's practices, it is possible that Piedmont City USD is already complying with some or all of our recommendations.

- We recommend that Piedmont City USD inventory all benefits and services provided to retirees – whether contractually or not and whether retiree-paid or not. For each, Piedmont City USD should determine whether the benefit is material and subject to GASB 43 and/or 45.
- We recommend that Piedmont City USD conduct a study whenever events or contemplated actions significantly affect present or future liabilities, but no less frequently than every two or three years, as required under GASB 43/45.
- We recommend that the District communicate the magnitude of these costs to employees and include employees in discussions of options to control the costs.
- Under GASB 45, it is important to isolate the cost of retiree health benefits. Piedmont City USD should have all premiums, claims and expenses for retirees separated from active employee premiums, claims, expenses, etc. To the extent any retiree benefits are made available to retirees over the age of 65 – *even on a retiree-pay-all basis* – all premiums, claims and expenses for post-65 retiree coverage should be segregated from those for pre-65 coverage. Furthermore, Piedmont City USD should arrange for the rates or prices of all retiree benefits to be set on what is expected to be a self-sustaining basis.
- Piedmont City USD should establish a way of designating employees as eligible or ineligible for future OPEB benefits. Ineligible employees can include those in ineligible job classes; those hired after a designated date restricting eligibility; those who, due to their age at hire cannot qualify for District-paid OPEB benefits; employees who exceed the termination age for OPEB benefits, etc.

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- Several assumptions were made in estimating costs and liabilities under Piedmont City USD's retiree health program. Further studies may be desired to validate any assumptions where there is any doubt that the assumption is appropriate. (See Appendices B and C for a list of assumptions and concerns.) For example, Piedmont City USD should maintain a retiree database that includes – in addition to date of birth, gender and employee classification – retirement date and (if applicable) dependent date of birth, relationship and gender. It will also be helpful for Piedmont City USD to maintain employment termination information – namely, the number of OPEB-eligible employees in each employee class that terminate employment each year for reasons other than death, disability or retirement.

Respectfully submitted,

Geoffrey L. Kischuk, FSA, MAAA, FCA
Consultant
Total Compensation Systems, Inc.
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PART II: BACKGROUND

A. Summary

Accounting principles provide that the cost of retiree benefits should be “accrued” over employees' working lifetime. For this reason, the Governmental Accounting Standards Board (GASB) issued in 2004 Accounting Standards 43 and 45 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees).

B. Actuarial Accrual

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an “actuarial cost method.”

Under most actuarial cost methods, there are two components of actuarial cost - a “normal cost” and amortization of something called the “unfunded actuarial accrued liability.” Both accounting standards and actuarial standards usually address these two components separately (though alternative terminology is sometimes used).

The normal cost can be thought of as the value of the benefit earned each year if benefits are accrued during the working lifetime of employees. This report will not discuss differences between actuarial cost methods or their application. Instead, following is a description of a commonly used, generally accepted actuarial cost method that will be permitted under GASB 43 and 45. This actuarial cost method is called the “entry age normal” method.

Under the entry age normal cost method, the actuary determines the annual amount needing to be expensed from hire until retirement to fully accrue the cost of retiree health benefits. This amount is the normal cost. Under GASB 43 and 45, normal cost can be expressed either as a level dollar amount or a level percentage of payroll.

The normal cost is determined using several key assumptions:

- The current *cost of retiree health benefits* (often varying by age, Medicare status and/or dependent coverage). The higher the current cost of retiree benefits, the higher the normal cost.
- The “*trend*” rate at which retiree health benefits are expected to increase over time. A higher trend rate increases the normal cost. A “cap” on District contributions can reduce trend to zero once the cap is reached thereby dramatically reducing normal costs.
- *Mortality rates* varying by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce normal costs, the mortality assumption is not likely to vary from employer to employer.
- *Employment termination rates* have the same effect as mortality inasmuch as higher termination rates reduce normal costs. Employment termination can vary considerably between public agencies.
- The *service requirement* reflects years of service required to earn full or partial retiree benefits.

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While a longer service requirement reduces costs, cost reductions are not usually substantial unless the service period exceeds 20 years of service.

- **Retirement rates** determine what proportion of employees retire at each age (assuming employees reach the requisite length of service). Retirement rates often vary by employee classification and implicitly reflect the minimum retirement age required for eligibility. Retirement rates also depend on the amount of pension benefits available. Higher retirement rates increase normal costs but, except for differences in minimum retirement age, retirement rates tend to be consistent between public agencies for each employee type.
- **Participation rates** indicate what proportion of retirees are expected to elect retiree health benefits if a significant retiree contribution is required. Higher participation rates increase costs.
- The **discount rate** estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets. For example, employer funds earning money market rates in the county treasury are likely to earn far less than an irrevocable trust containing a diversified asset portfolio including stocks, bonds, etc. A higher discount rate can dramatically lower normal costs. GASB 43 and 45 require the interest assumption to reflect likely *long term* investment return.

The assumptions listed above are not exhaustive, but are the most common assumptions used in actuarial cost calculations. The actuary selects the assumptions which - taken together - will yield reasonable results. It's not necessary (or even possible) to predict individual assumptions with complete accuracy.

If all actuarial assumptions are exactly met and an employer expensed the normal cost every year for all past and current employees and retirees, a sizeable liability would have accumulated (after adding interest and subtracting retiree benefit costs). The liability that would have accumulated is called the actuarial accrued liability or AAL. The excess of AAL over the **actuarial value of plan assets** is called the *unfunded* actuarial accrued liability (or UAAL). Under GASB 43 and 45, in order for assets to count toward offsetting the AAL, the assets have to be held in an irrevocable trust that is safe from creditors and can only be used to provide OPEB benefits to eligible participants.

The actuarial accrued liability (AAL) can arise in several ways. At inception of GASB 43 and 45, there is usually a substantial UAAL. Some portion of this amount can be established as the "transition obligation" subject to certain constraints. UAAL can also increase as the result of operation of a retiree health plan - e.g., as a result of plan changes or changes in actuarial assumptions. Finally, AAL can arise from actuarial gains and losses. Actuarial gains and losses result from differences between actuarial assumptions and actual plan experience.

Under GASB 43 and 45, employers have several options on how the UAAL can be amortized as follows:

- The employer can select an amortization period of 1 to 30 years. (For certain situations that result in a reduction of the AAL, the amortization period must be at least 10 years.)
- The employer may apply the same amortization period to the total combined UAAL or can apply different periods to different components of the UAAL.
- The employer may elect a "closed" or "open" amortization period.
- The employer may choose to amortize on a level dollar or level percentage of payroll method.

PART III: LIABILITIES AND COSTS FOR RETIREE BENEFITS

A. Introduction.

We calculated the actuarial present value of projected benefits (APVPB) separately for each employee. We determined eligibility for retiree benefits based on information supplied by Piedmont City USD. We then selected assumptions for the factors discussed in the above Section that, based on plan experience and our training and experience, represent our best prediction of future plan experience. For each employee, we applied the appropriate factors based on the employee's age, sex and length of service.

We summarized actuarial assumptions used for this study in Appendix C.

B. Medicare

The extent of Medicare coverage can affect projections of retiree health costs. The method of coordinating Medicare benefits with the retiree health plan's benefits can have a substantial impact on retiree health costs. We will be happy to provide more information about Medicare integration methods if requested.

C. Liability for Retiree Benefits.

For each employee, we projected future premium costs using an assumed trend rate (see Appendix C). To the extent Piedmont City USD uses contribution caps, the influence of the trend factor is further reduced.

We multiplied each year's projected cost by the probability that premium will be paid; i.e. based on the probability that the employee is living, has not terminated employment and has retired. The probability that premium will be paid is zero if the employee is not eligible. The employee is not eligible if s/he has not met minimum service, minimum age or, if applicable, maximum age requirements.

The product of each year's premium cost and the probability that premium will be paid equals the expected cost for that year. We discounted the expected cost for each year to the valuation date September 1, 2011 at 5% interest.

Finally, we multiplied the above discounted expected cost figures by the probability that the retiree would elect coverage. A retiree may not elect to be covered if retiree health coverage is available less expensively from another source (e.g. Medicare risk contract) or the retiree is covered under a spouse's plan.

For any current retirees, the approach used was similar. The major difference is that the probability of payment for current retirees depends only on mortality and age restrictions (i.e. for retired employees the probability of being retired and of not being terminated are always both 1.0000).

We added the APVPB for all employees to get the actuarial present value of total projected benefits (APVTPB). The APVTPB is the estimated present value of all future retiree health benefits for all **current** employees and retirees. The APVTPB is the amount on September 1, 2011 that, if all actuarial assumptions are exactly right, would be sufficient to expense all promised benefits until the last current employee or retiree dies or reaches the maximum eligibility age.

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Actuarial Present Value of Total Projected Benefits

September 1, 2011	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Active: Pre-65	\$3,483,725	\$2,314,040	\$932,279	\$237,406
Post-65	\$730,737	\$0	\$528,492	\$202,245
Subtotal	\$4,214,462	\$2,314,040	\$1,460,771	\$439,651
Retiree: Pre-65	\$642,048	\$432,397	\$196,752	\$12,899
Post-65	\$2,591,640	\$815,301	\$1,454,600	\$321,739
Subtotal	\$3,233,688	\$1,247,698	\$1,651,352	\$334,638
Grand Total	\$7,448,149	\$3,561,737	\$3,112,123	\$774,289
Subtotal Pre-65	\$4,125,773	\$2,746,437	\$1,129,031	\$250,305
Subtotal Post-65	\$3,322,377	\$815,301	\$1,983,092	\$523,984

The APVTPB should be accrued over the working lifetime of employees. At any time much of it has not been "earned" by employees. The APVTPB is used to develop expense and liability figures. To do so, the APVTFB is divided into two parts: the portions attributable to service rendered prior to the valuation date (the past service liability or actuarial accrued liability under GASB 43 and 45) and to service after the valuation date but prior to retirement (the future service liability).

The past service and future service liabilities are each funded in a different way. We will start with the future service liability which is funded by the normal cost.

D. Cost to Prefund Retiree Benefits

1. Normal Cost

The average hire age for eligible employees is 37. To accrue the liability by retirement, the District would accrue the retiree liability over a period of about 23 years (assuming an average retirement age of 60). We applied an "entry age normal" actuarial cost method to determine funding rates for active employees. The table below summarizes the calculated normal cost.

Normal Cost Year Beginning

September 1, 2011	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
# of Employees	280	166	93	21
Per Capita Normal Cost				
Pre-65 Benefit	N/A	\$1,016	\$651	\$687
Post-65 Benefit	N/A	\$0	\$0	\$258
First Year Normal Cost				
Pre-65 Benefit	\$243,626	\$168,656	\$60,543	\$14,427
Post-65 Benefit	\$5,418	\$0	\$0	\$5,418
Total	\$249,044	\$168,656	\$60,543	\$19,845

Accruing retiree health benefit costs using normal costs levels out the cost of retiree health benefits over

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time and more fairly reflects the value of benefits "earned" each year by employees. This normal cost would increase each year based on covered payroll.

2. Amortization of Unfunded Actuarial Accrued Liability (UAAL)

If actuarial assumptions are borne out by experience, the District will fully accrue retiree benefits by expensing an amount each year that equals the normal cost. If no accruals had taken place in the past, there would be a shortfall of many years' accruals, accumulated interest and forfeitures for terminated or deceased employees. This shortfall is called the actuarial accrued liability (AAL). We calculated the AAL as the APVTPB minus the present value of future normal costs.

The initial UAAL was amortized using a closed amortization period of 30 years. The District can amortize the remaining or residual UAAL over many years. The table below shows the annual amount necessary to amortize the UAAL over a period of 30 years at 5% interest. (Thirty years is the longest amortization period allowable under GASB 43 and 45.) GASB 43 and 45 will allow amortizing the UAAL using either payments that stay the same as a dollar amount, or payments that are a flat percentage of covered payroll over time. The figures below reflect the level percentage of payroll method. This amortization payment would increase each year based on covered payroll.

Actuarial Accrued Liability

as of September 1, 2011

	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Active: Pre-65	\$1,321,102	\$654,300	\$522,479	\$144,323
Post-65	\$695,780	\$0	\$528,492	\$167,288
Subtotal	\$2,016,882	\$654,300	\$1,050,971	\$311,611
Retiree: Pre-65	\$642,048	\$432,397	\$196,752	\$12,899
Post-65	\$2,591,640	\$815,301	\$1,454,600	\$321,739
Subtotal	\$3,233,688	\$1,247,698	\$1,651,352	\$334,638
Subtot Pre-65	\$1,963,151	\$1,086,697	\$719,232	\$157,222
Subtot Post-65	\$3,287,420	\$815,301	\$1,983,092	\$489,027
Grand Total	\$5,250,572	\$1,901,998	\$2,702,324	\$646,250
Unamortized Initial UAAL	\$4,304,008			
Residual AAL	\$946,564			
Residual UAAL Amortization at 5.0% over 30 Years	\$41,926			

3. Annual Required Contributions (ARC)

If the District determines retiree health plan expenses in accordance with GASB 43 and 45, costs will include both normal cost and one or more components of UAAL amortization costs. The sum of normal cost and UAAL amortization costs is called the Annual Required Contribution (ARC) and is shown below.

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Annual Required Contribution (ARC) Year Beginning

September 1, 2011

	<u>Total</u>
Normal Cost	\$249,044
Initial UAAL Amortization	\$199,684
Residual UAAL Amortization	\$41,926
ARC	<u>\$490,654</u>

The normal cost remains as long as there are active employees who may some day qualify for District-paid retiree health benefits. This normal cost would increase each year based on covered payroll.

4. Other Components of Annual OPEB Cost (AOC)

Expense and liability amounts may include more components of cost than the normal cost plus amortization of the UAAL. This will apply to employers that don't fully fund the Annual Required Cost (ARC) through an irrevocable trust.

- The annual OPEB cost (AOC) will include assumed interest on the net OPEB obligation (NOO). The annual OPEB cost will also include an amortization adjustment for the net OPEB obligation. (It should be noted that there is no NOO if the ARC is fully funded through a qualifying "plan".)
- The net OPEB obligation will equal the accumulated differences between the (AOC) and qualifying "plan" contributions.

PART IV: "PAY AS YOU GO" FUNDING OF RETIREE BENEFITS

We used the actuarial assumptions shown in Appendix C to project ten year cash flow under the retiree health program. Because these cash flow estimates reflect average assumptions applied to a relatively small number of employees, estimates for individual years are certain to be *in*accurate. However, these estimates show the size of cash outflow.

The following table shows a projection of annual amounts needed to pay the District share of retiree health premiums.

Year Beginning September 1	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
2011	\$416,238	\$237,067	\$151,026	\$28,145
2012	\$397,449	\$219,160	\$148,098	\$30,191
2013	\$384,157	\$199,000	\$155,339	\$29,818
2014	\$386,677	\$178,724	\$172,175	\$35,778
2015	\$371,798	\$160,940	\$168,569	\$42,289
2016	\$382,263	\$152,004	\$187,526	\$42,733
2017	\$390,546	\$158,716	\$190,726	\$41,104
2018	\$382,987	\$132,922	\$200,914	\$49,151
2019	\$402,455	\$132,492	\$221,114	\$48,849
2020	\$441,355	\$157,923	\$231,802	\$51,630

PART V: RECOMMENDATIONS FOR FUTURE VALUATIONS

To effectively manage benefit costs, an employer must periodically examine the existing liability for retiree benefits as well as future annual expected premium costs. GASB 43/45 require biennial or triennial valuations. In addition, a valuation should be conducted whenever plan changes, changes in actuarial assumptions or other employer actions are likely to cause a material change in accrual costs and/or liabilities.

Following are examples of actions that could trigger a new valuation.

- An employer should perform a valuation whenever the employer considers or puts in place an early retirement incentive program.
- An employer should perform a valuation whenever the employer adopts a retiree benefit plan for some or all employees.
- An employer should perform a valuation whenever the employer considers or implements changes to retiree benefit provisions or eligibility requirements.
- An employer should perform a valuation whenever the employer introduces or changes retiree contributions.

We recommend Piedmont City USD take the following actions to ease future valuations.

- We have used our training, experience and information available to us to establish the actuarial assumptions used in this valuation. We have no information to indicate that any of the assumptions do not reasonably reflect future plan experience. However, the District should review the actuarial assumptions in Appendix C carefully. If the District has any reason to believe that any of these assumptions do not reasonably represent the expected future experience of the retiree health plan, the District should engage in discussions or perform analyses to determine the best estimate of the assumption in question.

PART VI: APPENDICES

APPENDIX A: MATERIALS USED FOR THIS STUDY

We relied on the following materials to complete this study.

- We used paper reports and digital files containing employee demographic data from the District personnel records.
- We used relevant sections of collective bargaining agreements provided by the District.

APPENDIX B: EFFECT OF ASSUMPTIONS USED IN CALCULATIONS

While we believe the estimates in this study are reasonable overall, it was necessary for us to use assumptions which inevitably introduce errors. We believe that the errors caused by our assumptions will not materially affect study results. If the District wants more refined estimates for decision-making, we recommend additional investigation. Following is a brief summary of the impact of some of the more critical assumptions.

1. Where actuarial assumptions differ from expected experience, our estimates could be overstated or understated. One of the most critical assumptions is the medical trend rate. The District may want to commission further study to assess the sensitivity of liability estimates to our medical trend assumptions. For example, it may be helpful to know how liabilities would be affected by using a trend factor 1% higher than what was used in this study. There is an additional fee required to calculate the impact of alternative trend assumptions.
2. We used an "entry age normal" actuarial cost method to estimate the actuarial accrued liability and normal cost. GASB will allow this as one of several permissible methods under its upcoming accounting standard. Using a different cost method could result in a somewhat different recognition pattern of costs and liabilities.

APPENDIX C: ACTUARIAL ASSUMPTIONS AND METHODS

Following is a summary of actuarial assumptions and methods used in this study. The District should carefully review these assumptions and methods to make sure they reflect the District's assessment of its underlying experience. It is important for Piedmont City USD to understand that the appropriateness of all selected actuarial assumptions and methods are Piedmont City USD's responsibility. Unless otherwise disclosed in this report, TCS believes that all methods and assumptions are within a reasonable range based on the provisions of GASB 43 and 45, applicable actuarial standards of practice, Piedmont City USD's actual historical experience, and TCS's judgement based on experience and training.

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: Entry age normal. The allocation of OPEB cost is based on years of service. We used the level percentage of payroll method to allocate OPEB cost over years of service.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The present value of future benefits and present value of future normal costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the normal cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees).

AMORTIZATION METHODS: We used the level percentage of payroll method to allocate amortization cost by year. We used a closed 30 year amortization period for the initial UAAL. We used an open 30 year amortization period for any residual UAAL.

SUBSTANTIVE PLAN: As required under GASB 43 and 45, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Piedmont City USD regarding practices with respect to employer and employee contributions and other relevant factors.

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ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 3% per year.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 5% per year. This is based on assumed long-term return on employer assets. We used the "Building Block Method" as described in ASOP 27 Paragraph 3.6.2. Our assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code Sections 53601 et seq.

TREND: We assumed 4% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 3% per year. This assumption applies only to the extent that either or both of the normal cost and/or UAAL amortization use the level percentage of payroll method. For purposes of applying the level percentage of payroll method, payroll increase must not assume any increases in staff or merit increases.

ACTUARIAL ASSET VALUATION: there were no plan assets on the valuation date.

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NON-ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 35 (ASOP 35).

MORTALITY: CalSTRS mortality for certificated employees.
CalPERS mortality for Miscellaneous employees for other employees.

RETIREMENT RATES: CalSTRS retirement rates for certificated employees.
CalPERS retirement rates for School employees for other employees.

VESTING RATES:

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Vesting Percentage	100%	100%	100%
Vesting Period	10 years	15 years	10 years

COSTS FOR RETIREE COVERAGE:

There was not sufficient information available to determine whether there is an implicit subsidy for retiree health costs. Based on ASOP 6, there can be justification for using "community-rated" premiums as the basis for the valuation where the insurer is committed to continuing rating practices. This is especially true where sufficient information is not available to determine the magnitude of the subsidy. However, Piedmont City USD should recognize that costs and liabilities in this report could change significantly if either the current insurer changes rating practices or if Piedmont City USD changes insurers.

First Year costs are as shown below. Subsequent years' costs are based on first year costs adjusted for trend and limited by any District contribution caps.

	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Current Retirees: based on actual costs			
Current Plan:			
Future Retirees Pre-65	\$6,500	\$6,500	\$6,500
Future Retirees Post-65	\$0	\$0	\$1,800

PARTICIPATION RATES: 100%

TURNOVER: CalSTRS turnover for certificated employees.
CalPERS turnover for School employees for other employees.

SPOUSE PREVALENCE: To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.

SPOUSE AGES: To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.

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AGING FACTORS:

Attained Age	Medical Annual Increases
50-64	3.5%
65-69	3.0
70-74	2.5
75-79	1.5
80-84	0.5
85+	0.0

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APPENDIX D: DISTRIBUTION OF ELIGIBLE PARTICIPANTS BY AGE

ELIGIBLE ACTIVE EMPLOYEES:

<u>Age</u>	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Under 25	4	0	4	0
25-29	8	3	5	0
30-34	26	19	6	1
35-39	21	15	3	3
40-44	50	39	9	2
45-49	46	32	13	1
50-54	49	22	21	6
55-59	38	19	14	5
60-64	32	16	14	2
65 and older	6	1	4	1
Total	280	166	93	21

ELIGIBLE RETIREES:

<u>Age</u>	<u>Total</u>	<u>Certificated</u>	<u>Classified</u>	<u>Management</u>
Under 50	0	0	0	0
50-54	1	0	1	0
55-59	4	2	2	0
60-64	31	25	4	2
65-69	24	11	8	5
70-74	15	10	5	0
75-79	7	4	3	0
80-84	4	3	1	0
85-89	3	2	1	0
90 and older	3	2	1	0
Total	92	59	26	7

APPENDIX E: CALCULATION OF GASB 43/45 ACCOUNTING ENTRIES

This report is to be used to calculate accounting entries rather than to provide the dollar amount of accounting entries. How the report is to be used to calculate accounting entries depends on several factors. Among them are:

- 1) The amount of prior accounting entries;
- 2) Whether individual components of the ARC are calculated as a level dollar amount or as a level percentage of payroll;
- 3) Whether the employer using a level percentage of payroll method elects to use for this purpose projected payroll, budgeted payroll or actual payroll;
- 4) Whether the employer chooses to adjust the numbers in the report to reflect the difference between the valuation date and the first fiscal year for which the numbers will be used.

To the extent the level percentage of payroll method is used, the employer should adjust the numbers in this report as appropriate to reflect the change in OPEB covered payroll. It should be noted that OPEB covered payroll should only reflect types of pay generating pension credits for plan participants. Please note that plan participants do not necessarily include all active employees eligible for health benefits for several reasons. Following are examples.

- 1) The number of hours worked or other eligibility criteria may differ for OPEB compared to active health benefits;
- 2) There may be active employees over the maximum age OPEB are paid through. For example, if an OPEB plan pays benefits only to Medicare age, any active employees currently over Medicare age are not plan participants;
- 3) Employees hired at an age where they will exceed the maximum age for benefits when the service requirement is met are also not plan participants.

Finally, GASB 43 and 45 require reporting covered payroll in RSI schedules regardless of whether any ARC component is based on the level percentage of payroll method. This report does not provide, nor should the actuary be relied on to report covered payroll.

GASB 45 Paragraph 26 specifies that the items presented as RSI "should be calculated in accordance with the parameters." The RSI items refer to Paragraph 25.c which includes annual covered payroll. Footnote 3 provides that when the ARC is based on covered payroll, the payroll measure may be the projected payroll, budgeted payroll or actual payroll. Footnote 3 further provides that comparisons between the ARC and contributions should be based on the same measure of covered payroll.

At the time the valuation is being done, the actuary may not know which payroll method will be used for reporting purposes. The actuary may not even know for which period the valuation will be used to determine the ARC. Furthermore, the actuary doesn't know if the client will make adjustments to the ARC in order to use it for the first year of the biennial or triennial period. (GASB 45 is silent on this.) Even if the actuary were to know all of these things, it would be a rare situation that would result in me knowing the appropriate covered payroll

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number to report. For example, if the employer uses actual payroll, that number would not be known at the time the valuation is done.

As a result, we believe the proper approach is to report the ARC components as a dollar amount. It is the client's responsibility to turn this number into a percentage of payroll factor by using the dollar amount of the ARC (adjusted, if desired) as a numerator and then calculating the appropriate amount of the denominator based on the payroll determination method elected by the client for the appropriate fiscal year.

If we have been provided with payroll information, we are happy to use that information to help the employer develop an estimate of covered payroll for reporting purposes. However, the validity of the covered payroll remains the employer's responsibility even if TCS assists the employer in calculating it.

APPENDIX F: GLOSSARY OF RETIREE HEALTH VALUATION TERMS

Note: The following definitions are intended to help a *non-actuary* understand concepts related to retiree health valuations. Therefore, the definitions may not be actuarially accurate.

<u>Actuarial Accrued Liability:</u>	The amount of the actuarial present value of total projected benefits attributable to employees' past service based on the actuarial cost method used.
<u>Actuarial Cost Method:</u>	A mathematical model for allocating OPEB costs by year of service.
<u>Actuarial Present Value of Total Projected Benefits:</u>	The projected amount of all OPEB benefits to be paid to current and future retirees discounted back to the valuation date.
<u>Actuarial Value of Assets:</u>	Market-related value of assets which may include an unbiased formula for smoothing cyclical fluctuations in asset values.
<u>Annual OPEB Cost:</u>	This is the amount employers must recognize as an expense each year. The annual OPEB expense is equal to the Annual Required Contribution plus interest on the Net OPEB obligation minus an adjustment to reflect the amortization of the net OPEB obligation.
<u>Annual Required Contribution:</u>	The sum of the normal cost and an amount to amortize the unfunded actuarial accrued liability. This is the basis of the annual OPEB cost and net OPEB obligation.
<u>Closed Amortization Period:</u>	An amortization approach where the original ending date for the amortization period remains the same. This would be similar to a conventional, 30-year mortgage, for example.
<u>Discount Rate:</u>	Assumed investment return net of all investment expenses. Generally, a higher assumed interest rate leads to lower normal costs and actuarial accrued liability.
<u>Implicit Rate Subsidy:</u>	The estimated amount by which retiree rates are understated in situations where, for rating purposes, retirees are combined with active employees.
<u>Mortality Rate:</u>	Assumed proportion of people who die each year. Mortality rates always vary by age and often by sex. A mortality table should always be selected that is based on a similar "population" to the one being studied.
<u>Net OPEB Obligation:</u>	The accumulated difference between the annual OPEB cost and amounts contributed to an irrevocable trust exclusively providing retiree OPEB benefits and protected from creditors.
<u>Normal Cost:</u>	The dollar value of the "earned" portion of retiree health benefits if retiree health benefits are to be fully accrued at retirement.

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<u>OPEB Benefits:</u>	Other PostEmployment Benefits. Generally medical, dental, prescription drug, life, long-term care or other postemployment benefits that are not pension benefits.
<u>Open Amortization Period:</u>	Under an open amortization period, the remaining unamortized balance is subject to a new amortization schedule each valuation. This would be similar, for example, to a homeowner refinancing a mortgage with a new 30-year conventional mortgage every two or three years.
<u>Participation Rate:</u>	The proportion of retirees who elect to receive retiree benefits. A lower participation rate results in lower normal cost and actuarial accrued liability. The participation rate often is related to retiree contributions.
<u>Retirement Rate:</u>	The proportion of active employees who retire each year. Retirement rates are usually based on age and/or length of service. (Retirement rates can be used in conjunction with vesting rates to reflect both age and length of service). The more likely employees are to retire early, the higher normal costs and actuarial accrued liability will be.
<u>Transition Obligation:</u>	The amount of the unfunded actuarial accrued liability at the time actuarial accrual begins in accordance with an applicable accounting standard.
<u>Trend Rate:</u>	The rate at which the cost of retiree benefits is expected to increase over time. The trend rate usually varies by type of benefit (e.g. medical, dental, vision, etc.) and may vary over time. A higher trend rate results in higher normal costs and actuarial accrued liability.
<u>Turnover Rate:</u>	The rate at which employees cease employment due to reasons other than death, disability or retirement. Turnover rates usually vary based on length of service and may vary by other factors. Higher turnover rates reduce normal costs and actuarial accrued liability.
<u>Unfunded Actuarial Accrued Liability:</u>	This is the excess of the actuarial accrued liability over assets irrevocably committed to provide retiree health benefits.
<u>Valuation Date:</u>	The date as of which the OPEB obligation is determined. Under GASB 43 and 45, the valuation date does not have to coincide with the statement date.
<u>Vesting Rate:</u>	The proportion of retiree benefits earned, based on length of service and, sometimes, age. (Vesting rates are often set in conjunction with retirement rates.) More rapid vesting increases normal costs and actuarial accrued liability.

PIEDMONT UNIFIED SCHOOL DISTRICT

Board of Education Regular Meeting Schedule

2012-13

Regular Board of Education meetings listed below are held on the second and fourth Wednesdays of each month, unless otherwise noted, and are held in the Council Chambers of the City Hall, 120 Vista Avenue, Piedmont, beginning at 7:00 p.m.

July 11, 2012 (already scheduled in 2011-12 school year)

August 22, 2012

September 12, 2012

Thursday, September 27, 2012

October 10, 2012

October 24, 2012

November 14, 2012

December 12, 2012

January 9, 2013

January 23, 2013

February 13, 2013

March 13, 2013

March 27, 2013

April 10, 2013

May 8, 2013

May 22, 2013

June 12, 2013

June 26, 2013

July 10, 2013

PIEDMONT UNIFIED SCHOOL DISTRICT
Council Chambers, City Hall
120 Vista Avenue
Piedmont, California 94611

MINUTES OF
Regular Meeting of the Governing Board

April 17, 2012

CALL TO ORDER	Board President Roy Tolles called the meeting of the Board of Education to order at 6:30 p.m.
ESTABLISHMENT OF QUORUM	President Roy Tolles; Vice President Rick Raushenbush; Board Members Ray Gadbois, Sarah Pearson and Andrea Swenson were present.
Adjourn to Closed Session	The Board adjourned to Closed Session at 6:32 p.m. to discuss: A. Conference with District Labor Negotiator Constance Hubbard Regarding Negotiations California State Employees Association (CSEA), Chapter 60 (Government Code Section 54956.6)
Others Present in Closed Session	Superintendent Constance Hubbard Michael Brady, Assistant Superintendent, Business Services Randall Booker, Assistant Superintendent, Educational Services
Reconvene to Regular Session	President Tolles called the Regular Session of the Board of Education to order at 7:09 p.m. and led the Board and audience in the Pledge of Allegiance.
Others Present at Regular Session	Superintendent Constance Hubbard Michael Brady, Assistant Superintendent, Business Services Randall Booker, Assistant Superintendent, Educational Services
Report of Action Taken in Closed Session	No action was taken in the Closed Session
Agenda Adjustments	Superintendent Hubbard asked the Board to remove the Personnel Action Request from the Consent Calendar. It will be brought back in May.
COMMUNICATIONS/ANNOUNCEMENTS	
Association of Piedmont Teachers (APT)	APT President Harlan Mohagen announced the AP Art Show Reception taking place Thursday night in the Piedmont Art Gallery from 7:00 to 9:00 p.m. An art show will be held from August 20 – 26, 2012, to showcase the work of Piedmont School District teachers, staff and administrators. This coming Friday is an Annual Day of Silence. Ms. Mohagen handed out slips of paper explaining the Day of Silence Project, which was set up to protest the silence faced by lesbian, gay, bisexual and transgender people and their allies due to harassment, prejudice and discrimination. Last year Ms. Mohagen co-taught her Algebra I class in silence and it was an interesting process that resulted in a higher level of understanding by students when they had to write out in words as well as symbols how to solve the problems. In some classes teachers will be teaching silently. Students who are participating can give the "Day of Silence" slips to their teachers even if the teacher is not participating.

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 1 of 8

Assistant Superintendent Brady explained that we have been doing this for years.

CSEA

None

Parent Clubs

None

Student Representative to Board

Karina Chan, Student Representative, was not present.

Persons Wishing to Speak to Any Item Not Listed on the Agenda

Amal Smith, Piedmont Educational Fund President, advised the Board that the PEF is presenting \$200,000 from endowments to the District, up \$33,000 from last year.

Superintendent Hubbard explained that the Board will bring back a formal request that the money be given to the District for 'x' purpose and the PEF will take back the request for approval. Once the endowment amount is approved, the District can put it in the budget as money we can count on. When the next budget is adopted, \$200,000 becomes the new baseline amount and is considered an ongoing stream of funding.

President Tolles expressed appreciation to the PEF for their work.

Superintendent Announcements

No announcements.

Board President Announcements

President Tolles announced that at a Special Board Meeting held at 6:00 p.m., the Board unanimously approved an increase of \$868,000 in the Guaranteed Maximum Price (GMP) for Beach Elementary School.

PRESENTATION

Educational Services Report:
Spotlight on Student Learning

A. Google Apps for Students

Assistant Superintendent Booker introduced Stephanie Griffin, Technology Coordinator for Beach. She explained the pilot project conducted in January, 2012 to introduce Google docs for students and staff. The District is using Google Apps for Education (GAPE), a free, integrated site that includes gmail, a calendar, google docs (word processing, spreadsheet and presentation software), and google sites (a website builder). GAPE is ad-free, and allows local control. Students have their own emails but can email only within the District; all passwords and access are controlled by District tech administrators. Some of the reasons for choosing GAPE were that it is free, it allows for easy collaboration and 24-hour access to learning, it is stored in the cloud so that a person's files are always available and it can be used at home, school and on mobile devices.

The pilot was limited to volunteer participants at PMS and PHS. It has really taken off at PMS thanks to Michelle Kerwin, who piloted the technology at PMS. Adoption at PHS was delayed because everyone was working on WASC. GAPE allows teachers to plan lessons together and students to collaborate and track deadlines. Currently we are using word processing for paperless communication and group collaboration and communication between students and teachers. An informal study showed that almost all students believe it was useful. Ms. Griffin also has used it as a tool to teach digital citizenship, and to directly instruct students regarding our expectations and how to use the system also to explore topics such as cyber-bullying and malicious use of passwords. GAPE allows teaches to use a dashboard where they can see a student's emails

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 2 of 8

and homework, and can reset passwords, as well as comment on work and collaborate with the student. Teachers can grade electronically, and can see the revision history with a timestamp so they can monitor the progress of work as it approaches a deadline. In a collaborative paper, the teacher can see what contribution was made by each student. Both teachers and students can work from any location using a computer or mobile device.

An evaluation of the pilot needs to include the following:

- Does it meet instructional needs and contribute to District goals?
- Does it allow for collaboration?
- Is it an effective use of limited resources?
- Does it engage students?

There was no further comment.

REVIEW AND ACTION ITEMS

- A. Conduct Public Hearing on the Proposed Levy of the Current 2011-12 Parcel Tax, to be Levied in 2012-13, and Adopt Resolution 10-2011-12, "Resolution Establishing the Amount of Measure B Tax to be Raised and the Levy Rate Per Parcel for Fiscal Year 2012-13, to be Assessed as of July 1, 2012"

This is the second public hearing on the Proposed Levy of Measure B; at the last meeting the Board and the public heard the recommendation of the Citizen's Advisory Committee to the Parcel Tax and held a public hearing. Included in the packet is a spreadsheet showing the proposed levy for each category of property.

President Tolles opened the meeting to public comment.

Mr. George Childs, speaking as a citizen of Piedmont, explained his concern about increasing the levy each year; he does not believe this is sustainable.

There were no other public comments

Board Member Gadbois remarked that the Franchise Tax Board announced today they have reversed their previous position and that parcel taxes will be deductible for State and Federal income tax purposes. This is based on a ruling by the IRS and is important to keep in mind as we review the parcel tax.

Board Member Swenson suggested this be posted on The Portal.

President Tolles thanked Mr. Childs for his comment and explained that the entire Board shares his concern for those living on fixed incomes.

Board Member Swenson stated that the Board does not take the parcel tax lightly; we know that this is the worst funding situation the School District has ever faced.

Board Member Gadbois said he would like to find a way to slow the growth of the parcel tax but this is not the time to do so.

President Tolles agreed that a 5% increase is extreme. The Measure B increase was 0% the first year, then 5%, and now we are again looking at 5%. He favors an average increase of 3% per year. However, right now we do not know where we will stand after the November election and 5% gives the District maximum flexibility.

It was moved by Board Member Raushenbush and seconded by Board Member Gadbois to adopt Resolution 10-2011-12,

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 3 of 8

"Resolution Establishing the Amount of Measure B Tax to be Raised and the Levy Rate Per Parcel for Fiscal Year 2012-13, to be Assessed as of July 1, 2012."

The motion passed as follows:

AYES: Tolles, Raushenbush, Gadbois, Pearson, Swenson

NOES: None

ABSENT: None

ABSTAIN: None

There was no public comment or additional Board discussion.

- B. Conduct Public Hearing and Approve Contract Reopener Proposals for 2012-14 Negotiations Between the District and the California School Employees Association (CSEA), Chapter 60

Superintendent Hubbard announced that CSEA President Terra Salazar was unable to be at the meeting and entrusted the Superintendent to make a presentation on behalf of both organizations. Tonight is a first Public Hearing of the proposed contract reopeners, which are "sunshined" for a minimum of two weeks to allow public review and comment. The Board will take action on the reopeners at the meeting on May 9, 2012.

In January, 2012 CSEA agreed to amend the Memorandum of Understanding approved in May of 2011 to include furlough days for the 2012-13 and 201-14 school years. It is now agreed between both parties to reopen negotiations on wages and benefits and up to two additional articles in the second week of November, 2012 without going through an additional "sunshine" period.

President Tolles thanked CSEA for their acceptance of furlough days and their willingness to postpone negotiations until after the November election.

Board Member Gadbois explained that CSEA members have made serious concessions in accepting furlough days, benefit caps and no COLAs for the remainder of the contract, which expires in 2014.

Jon Elliott, speaking as a citizen, supports the proposal and inquired if the "sunshine period" requires a written proposal.

Superintendent Hubbard stated that at the next meeting there will be a written proposal for the Board to consider. This still leaves the possibility of opening two other articles in November, which would require additional "sunshining."

Board Member Raushenbush asked if CSEA is agreeing to this. Superintendent Hubbard said a letter signed by both parties will be brought before the Board before this is approved.

There was no further comment and President Tolles concluded the discussion.

- C. Approve "Declaration of Need for Fully Qualified Educators," 2012-13

Superintendent Hubbard explained that this is an annual request that must be submitted to ACOE and the State Committee on Accreditation. The declaration certifies that after diligent search, the District can employ a candidate in an internship program or scheduled to complete the initial preparation requirements. The requirements for Resource Specialists are changing and in Library Services our librarians are working on obtaining their Multimedia credentials. The declaration allows us to continue to employ these staff members.

NOT APPROVED

Regular Meeting Minutes of

April 17, 2012

Page 4 of 8

There was no public comment.

Board Member Gadbois said it sounds like this will allow us to hire an intern. Superintendent Hubbard explained that large districts have interns going to school while they work in the district as part of completing their credential. We seldom take interns.

It was moved by Vice President Raushenbush and seconded by Board Member Pearson to approve the "Declaration of Need for Fully Qualified Educators," 2012-13. The motion passed unanimously.

REVIEW & DISCUSSION ITEMS

A. Mid-Year Update on Action Plan

Superintendent Hubbard presented an update on the Action Plan passed by the Board on November 24, 2011. The plan is grounded in developing a professional learning community (PLC) among teachers and establishing common benchmark assessments. Utilizing this model, the Board developed six goals, which are highlighted in this report. Administrators identified tactics to support each goal and staff, addressing specific needs, developed operational responses that flesh out the goals. It is important to realize that one goal translates into a number of operational changes and multiple activities.

Superintendent Hubbard acknowledged that it is the teachers and principals who do this work every day with students. The point is to figure out what kids need and get it to them. For example, if STAR and other standardized tests do not reflect what students at Millennium learn, then we need to develop another way for them to demonstrate their learning rather than just throw out the standardized tests.

Superintendent Hubbard then walked everyone through the update, reviewing each goal and describing operational responses. She noted that staff are using the goals as a matter of practice: this year the operational responses are more concrete in their language; there is less "report, think about and discuss" language used. Instead there is a description of actions taken and activities completed.

Vice President Raushenbush said this was an impressive display of accomplishments and hopes it is posted on the website. Board Member Gadbois added that the process is really important because it takes us from the vision to tactics that translate into what is happening daily. He commended the staff for their excellent job. Board Member Pearson noted it is clear that student learning is what drives this and commended staff for being creative and open minded and finding ways to make it work for all students. Board Member Swenson found it amazing how six goals mushroom into many operational responses.

Superintendent Hubbard reminded everyone that the operational responses are just examples of many activities that go on every day to support the action plan.

President Tolles opened the floor to public comments.

Senior Carolina Smit asked that the schedule for finals be changed

NOT APPROVED

Regular Meeting Minutes of

April 17, 2012

Page 5 of 8

so that finals could be held before the December break. This would help students can get a real vacation from schoolwork. Also, the movie *Every 15 Minutes*, which was screened at a student assembly, was very powerful and she wondered if it is available for rent or purchase.

Assistant Superintendent Booker said it is available through the Wellness Center. Ms. Smit said it would be good to advertise this because everyone should see it.

Senior Katie Bird would like the Community Center parking lot to be open all the time for student parking. She thinks teachers have plenty of parking places and students should have more.

There were no further comments from the public or from Board Members.

INFORMATION/ANNOUNCEMENTS

A. Announcement of 2012 Arthur Hecht Volunteer of the Year Awardee

Superintendent Hubbard was happy to announce that June Monach was selected to receive the Arthur Hecht Volunteer of the Year Award. She was selected by a committee that included a Board member and four former winners. Superintendent Hubbard commented upon Ms. Monach's dedication to the schools and students, and said she deservedly joins a long list of stellar volunteers. Ms. Monach is invited to attend the AP Art Show and to pick out a student work of art.

There were no questions or comments.

CORRESPONDENCE

Board Member Gadbois reported that the Board received the following:

- an email to Superintendent Hubbard regarding input on the search process for the Havens Principal. The Superintendent wrote a response to this email.
- a letter from the GATE Parents Support Group recommending proposals to improve the GATE program. Mr. Gadbois responded and encouraged them to work with the GATE committee.
- an email from a citizen regarding elearning programs including the Khan Academy and college-level curriculums.

President Tolles received an email from an Albany School Board member asking question regarding our election process.

BOARD REPORTS

Board Member Swenson, along with Board Member Pearson, attended the Piedmont Language School Open House and commented that it has come a long way. She also attended the spectacular CHIME Gala, and the Tri-School meeting regarding Marin Headlands trips. She commented that the administration gave a good explanation of the situation. She watched the film, *Bully*, and highly recommends it.

In addition to the Piedmont Language School Open House, Board Member Pearson attended the Diversity Task Force and the Wildwood and Middle School Parents Council meetings.

Board Member Gadbois attended the PHS Parent Council, the Art

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 6 of 8

Hecht Selection Committee, a planning meeting regarding the parcel tax, and an encore benefit of *Streetcar Named Desire*, a fundraiser for their trip to the Fringe Festival in Edinburg, Scotland.

Vice President Raushenbush reported that he had a good vacation.

President Tolles reported that he has been out of the country since the day after the previous Board meeting. He was in Kenya and while there, met the Executive Director of an organization called Round Square, which is a worldwide organization of schools that share a commitment to academic excellence and personal responsibility. There were several students from Round Square working on a project in Kenya. Mr. Tolles was not advocating anything but found it very interesting and similar to our efforts.

CONSENT CALENDAR

Superintendent Hubbard asked to remove Item G, Personnel Action, as it contains minor errors. She would like to clarify the items and bring it back in May.

President Tolles asked for a motion. It was moved by Board Member Gadbois, seconded by Board Member Swenson and passed unanimously to approve all item on the Consent Calendar as presented, with the exception of Item G, which was pulled.

- A. Adopt Regular Board Meeting Minutes of March 28, 2012
- B. Approve Quarterly Reports of Complaints received under Williams Settlement Agreement (for Jan.-Feb.-March, 2012)
- C. Approve Monthly Financial Reports of the District for March, 2012
- D. Approve Field Trip for three students to attend the National Debate Tourney on Saturday, April 21, 2012 at Claremont-McKenna College in Claremont, California.
- E. *Ratify approval of Student Trip for six PHS and four PMS students to visit China from April 7-16, 2012
- F. Approve Field Trip for fifteen students to attend the Junior State of America Spring event in Santa Clara from April 20-22, 2012
- H. Approve one Independent Contractor Agreement with Welcome Transport Group to provide transportation for one student, effective March 30, 2012 through May 24, 2012, at a total cost not to exceed \$2,205.00. Funding: Special Education
- I. Approve one Independent Contractors Agreement with Starfish Therapies to provide an assessment and attend an IEP meeting for one student effective March 1, 2012, through March 4, 2012, at a total cost not to exceed \$500.00. Funding: Special Education
- J. Approve one Independent Contractor Agreement with Interpreters Unlimited Group, to provide interpreter for an IEP meeting, effective May 8, 2012, at a total cost not to exceed \$300.00. Funding: Special Education
- K. Approve one Master Contract with Speech Pathology Group, to provide a speech language pathologist to conduct assessments for three district students, effective April 16,

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 7 of 8

2012, through June 30, 2012, at a total cost not to exceed \$3,400.00. Funding: Special Education

FUTURE BOARD AGENDA ITEMS

→ SUBJECT TO CHANGE ←

- Approve Beach GMP (May)
- Approve Items for 2012-13 Contract Reopeners Between the District and the California School Employees Association, Chapter 60 (CSEA), Public Hearing #2 (May)
- Announcement of Arthur Hecht Award winner and commendation of PHS Art Student (May)
- Use of Athletic Facilities (TBD)
- Review and Approve Facilities Funding Agreement for Upkeep of City and School District Athletic Facilities ("Preservation Fund (TBD)
- Uniform Complaint Form Board Policies (TBD)
- Conduct First Reading of Proposed Revised Board Policy 6146.1, "High School Graduation Requirements" (TBD)
- Conduct First Reading of Proposed Revised Board Policy 5144, "Discipline" (title to be changed to "Student Discipline") (TBD)
- Conduct First Reading of Special Education Board Policies (TBD)
- Review of Board Bylaws (Section 9000) (TBD)
- Technology Infrastructure and Bandwidth (TBD)

President Tolles explained that another increase in the Beach GMP will be brought forth much later, and that reopening the CSEA contract will be on the next agenda and again in November. He also reported that there will be a liaison meeting on Thursday afternoon between the City and the District.

President Board Member Pearson announced that Alison Crovetti, head of the Wellness Center, will be talking about brain development at a meeting on Monday, April 23 at 7:00 p.m. at PMS. On April 30, Jeanne Donovan and Randy Booker will lead a discussion on block scheduling, and at 7:00 p.m. on Thursday, May 3, Dr. Brooks will make a presentation on raising resilient children at an event sponsored by the Piedmont Parents Network. The Spring Fling takes place on May 5th and bids may be made on the website through May 4th.

Adjournment

There being no further business, and with no objection by the Board, President Tolles adjourned the meeting at 9:22 p.m.

ROY TOLLES, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education

NOT APPROVED

Regular Meeting Minutes of
April 17, 2012
Page 8 of 8

PIEDMONT UNIFIED SCHOOL DISTRICT
District Offices
560 Magnolia Ave.
Piedmont, California 94611

MINUTES OF
Special Open Meeting of the Governing Board

April 17, 2012

CALL TO ORDER	Board President Roy Tolles called the meeting of the Board of Education to order at 6:00 p.m.
ESTABLISHMENT OF QUORUM	President Roy Tolles; Vice President Rick Raushenbush; Board Members Ray Gadbois, Sarah Pearson and Andrea Swenson were present.
Others Present in Session	Superintendent Constance Hubbard Assistant Superintendent Randall Booker Assistant Superintendent Michael Brady Pete Palmer, Construction Manager

REVIEW & ACTION ITEMS

A. Approve Increase in Guaranteed Maximum Price for Beach Elementary School Seismic Renovation Project by \$868,524, from \$7,295,176 to \$8,163,700	<p>Pete Palmer, Construction Manager for the School District, presented the background for this request to increase the Guaranteed Maximum Price (GMP) for the Beach seismic renovation. It is necessary to approve the increase at this time so that the construction schedule will not be delayed. Cahill Construction is waiting for this approval in order to sign contracts with its subcontractors and to order material. The changes include additions to the scope of work.</p> <p>Mr. Palmer reviewed subcontractor pricing and reported that it is good. According to Mr. Palmer, the revised schedule is that the work will be completed by 8/15/12.</p> <p>Board Member Gadbois thanked Mr. Palmer for doing a good job and agreed with President Tolles' assessment that approval of the Change Order is needed to keep the project on track.</p> <p>There were no comments from the public.</p> <p>It was moved by Board Member Raushenbush and seconded by Board Member Pearson to approve the Increase in GMP for Beach Elementary School Seismic Renovation Project by \$868,524, from \$7,295,176 to \$8,163,700</p> <p>The motion passed as follows:</p> <table border="0"><tr><td>AYES:</td><td>Tolles, Raushenbush, Gadbois, Pearson, Swenson</td></tr><tr><td>NOES:</td><td>None</td></tr><tr><td>ABSTAIN:</td><td>None</td></tr><tr><td>ABSENT</td><td>None</td></tr></table>	AYES:	Tolles, Raushenbush, Gadbois, Pearson, Swenson	NOES:	None	ABSTAIN:	None	ABSENT	None
AYES:	Tolles, Raushenbush, Gadbois, Pearson, Swenson								
NOES:	None								
ABSTAIN:	None								
ABSENT	None								
Adjournment	There being no further business, and with no objection by the Board, President Tolles adjourned the meeting 6:18 p.m.								

ROY TOLLES, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education

ROUTE TO THE GOVERNING BOARD FROM 04/01/2012 TO 04/30/2012

Fund :01 General Fund

UNAPPROVED TRANSACTIONS INCLUDED

SUMMARY BY Object	WORKING BUDGET	CURRENT	EXPENDED/RECEIVED YEAR TO DATE	%	ENCUMBERED	UNENCUMBERED BALANCE	%
80xx Revenue	13,325,104.00	2,757,205.22	9,771,844.01	73.3	0.00	3,553,259.99	26.6
81xx FEDERAL REVENUE	577,654.00	139,127.00	441,643.35	76.4	0.00	136,010.65	23.5
82xx OTHER FEDERAL REVENUE	78,678.00	0.00	51,162.00	65.0	0.00	27,516.00	34.9
83xx OTHER STATE REVENUE	160,919.00	3,502.00	37,667.00	23.4	0.00	123,252.00	76.5
84xx OTHER STATE REVENUE	649,225.00	6,849.00	345,127.00	53.1	0.00	304,098.00	46.8
85xx OTHER STATE REVENUE	1,421,600.00	265,153.51	1,060,240.25	74.5	0.00	361,359.75	25.4
86xx OTHER LOCAL REVENUE	12,237,032.00	4,321,555.41	11,997,713.19	98.0	0.00	239,318.81	1.9
87xx OTHER TRANSFER IN	1,096,700.00	0.00	383,165.00	34.9	0.00	713,535.00	65.0
TOTAL: 8xxx	29,546,912.00	7,493,392.14	24,088,561.80	81.5	0.00	5,458,350.20	18.4
11xx Certificated Salaries	11,707,079.00	1,193,242.18	9,474,664.72	80.9	0.00	2,232,414.28	19.0
12xx Counselors/Psych/Nurse/Librari	1,097,523.00	108,434.51	867,542.89	79.0	0.00	229,980.11	20.9
13xx Cert Salaries-Admin/Supervisor	1,779,830.00	134,474.39	1,349,787.89	75.8	0.00	430,042.11	24.1
19xx Other Certificated Salaries	284,778.00	28,280.62	251,906.10	88.4	0.00	32,871.90	11.5
TOTAL: 1xxx	14,869,210.00	1,464,431.70	11,943,901.60	80.3	0.00	2,925,308.40	19.6
21xx Class Sal/Instructional Aide	2,102,095.00	212,448.84	1,602,163.76	76.2	0.00	499,931.24	23.7
22xx Classified Support Salaries	1,156,240.00	95,684.95	937,862.60	81.1	0.00	218,377.40	18.8
23xx Class Sal/Administrator/Superv	129,569.00	13,818.66	112,065.45	86.4	0.00	17,503.55	13.5
24xx Class Sal/Clerical/Othr Office	1,209,231.00	105,813.88	981,638.60	81.1	0.00	227,592.40	18.8
29xx Other Classified Salaries	71,220.00	9,378.32	79,089.24	100.0	0.00	7,869.24	.0
TOTAL: 2xxx	4,668,355.00	437,144.65	3,712,819.65	79.5	0.00	955,535.35	20.4
31xx STRS	1,238,528.00	116,993.09	492,466.20	39.7	0.00	746,061.80	60.2
32xx PERS	493,478.00	41,299.91	528,817.40	100.0	0.00	35,339.40	.0
33xx SOCIAL SECURITY	563,418.00	52,827.10	473,436.98	84.0	0.00	89,981.02	15.9
34xx HEALTH & WELFARE	3,108,523.00	290,460.42	2,502,609.42	80.5	0.00	605,913.58	19.4
35xx STATE UNEMPLOYMENT INSURANCE	314,851.00	30,543.34	138,038.24	43.8	0.00	176,812.76	56.1
36xx WORKERS COMPENSATION INSURANCE	377,431.00	18,971.13	406,917.23	100.0	0.00	29,486.23	.0
37xx OPEB	440,732.00	38,340.94	309,334.18	70.1	0.00	131,397.82	29.8
38xx PERS REDUCTION	51,434.00	7,928.72	66,998.95	100.0	0.00	15,564.95	.0
TOTAL: 3xxx	6,588,395.00	597,364.65	4,918,618.60	74.6	0.00	1,669,776.40	25.3
41xx Approved Textbooks	129,669.00	1,031.15	104,673.48	80.7	8,457.03	16,538.49	12.7
42xx Books and Othr Ref Materials	9,741.00	413.24	7,663.57	78.6	1,396.67	680.76	6.9
43xx Materials and Supplies	1,225,799.00	68,871.73	740,363.19	60.3	135,044.50	350,391.31	28.5
44xx Non-Capitalized Equipment	40,039.00	4,946.54	35,779.39	89.3	22,295.73	18,036.12	.0
TOTAL: 4xxx	1,405,248.00	75,262.66	888,479.63	63.2	167,193.93	349,574.44	24.8
51xx Subagreement for Services	42,200.00	0.00	4,834.58	.0	20,701.71	26,332.87	100.0

32 Piedmont USD

J4652

BUDGET REPORT

BDX110

H.00.30 05/02/12 11:05 PAGE

2

ROUTE TO THE GOVERNING BOARD

FROM 04/01/2012 TO 04/30/2012
UNAPPROVED TRANSACTIONS INCLUDED

Fund :01 General Fund

SUMMARY BY Object		WORKING BUDGET	EXPENDED/RECEIVED			%	ENCUMBERED	UNENCUMBERED	
			CURRENT	YEAR TO DATE			BALANCE	%	
52xxx	Travel and Conference	69,772.00	2,939.02	31,189.16	44.7	8,871.00	29,711.84	42.5	
53xxx	Dues and Memberships	18,523.00	716.50	16,485.94	89.0	0.00	2,037.06	10.9	
54xxx	INSURANCE	146,018.00	0.00	146,018.00	100.0	0.00	0.00	.0	
55xxx	Operation and Housekeeping Svc	429,100.00	35,614.16	320,717.21	74.7	540.69	107,842.10	25.1	
56xxx	Rntls./Leases/Repair/Noncapital	326,916.00	21,923.15	223,565.65	68.3	96,789.03	6,561.32	2.0	
58xxx	Prof/Consulting Svcs/Operating	1,933,740.00	159,762.33	867,327.31	44.8	798,884.30	267,528.39	13.8	
59xxx	Communications	82,635.00	5,920.56	61,644.44	74.5	14,820.49	6,170.07	7.4	
TOTAL: 5xxx		3,048,904.00	226,875.72	1,662,113.13	54.5	940,607.22	446,183.65	14.6	
TOTAL: 1xxx - 5xxx		30,580,112.00	2,801,079.38	23,125,932.61	75.6	1,107,801.15	6,346,378.24	20.7	
62xxx	Building & Builing Improvement	10,730.00	0.00	4,571.08	42.6	1,281.97	4,876.95	45.4	
TOTAL: 6xxx		10,730.00	0.00	4,571.08	42.6	1,281.97	4,876.95	45.4	
TOTAL: 1xxx - 6xxx		30,590,842.00	2,801,079.38	23,130,503.69	75.6	1,109,083.12	6,351,255.19	20.7	
73xxx	DIRECT SUPPORT/INDIRECT COST	120,000.00-	0.00	0.00	100.0	0.00	120,000.00-	.0	
76xxx	INTERFUND TRANSFER/OTHER USES	267,055.00	0.00	0.00	.0	0.00	267,055.00	100.0	
TOTAL: 7xxx		147,055.00	0.00	0.00	.0	0.00	147,055.00	100.0	
TOTAL: 1xxx - 7xxx		30,737,897.00	2,801,079.38	23,130,503.69	75.2	1,109,083.12	6,498,310.19	21.1	

32 Piedmont USD

J4652

BUDGET REPORT

BDX110

H.00.30 05/02/12 11:05

PAGE 3

ROUTE TO THE GOVERNING BOARD

FROM 04/01/2012 TO 04/30/2012
UNAPPROVED TRANSACTIONS INCLUDED

Fund :01 General Fund

Summary

SUMMARY BY Object

WORKING BUDGET

EXPENDED/RECEIVED
CURRENT YEAR TO DATE

%

ENCUMBERED

UNENCUMBERED
BALANCE

%

TOTAL INCOME

(8000 - 8999)

29,546,912.00

7,493,392.14

24,088,561.80

81.5

0.00

5,458,350.20

18.4

TOTAL: 1xxx - 5xxx

30,580,112.00

2,801,079.38

23,125,932.61

75.6

1,107,801.15

6,346,378.24

20.7

TOTAL: 1xxx - 6xxx

30,590,842.00

2,801,079.38

23,130,503.69

75.6

1,109,083.12

6,351,255.19

20.7

TOTAL: 1xxx - 7xxx

30,737,897.00

2,801,079.38

23,130,503.69

75.2

1,109,083.12

6,498,310.19

21.1

TOTAL EXPENSES

(1000 - 7999)

30,737,897.00

2,801,079.38

23,130,503.69

75.2

1,109,083.12

6,498,310.19

21.1

PIEDMONT UNIFIED SCHOOL DISTRICT

Piedmont, CA 94611

February 6, 2012

TO: Members of the Governing Board

FROM: Constance Hubbard

SUBJECT: Warrant List

Approval is recommended for the following invoice warrants:

DATE	PAGES	GENERAL FUND	ADULT EDUCATION FUND	CAFETERIA FUND	DEFERRED MAINTENANCE FUND	BUILDING FUND	CAPITAL FAC SPEC RESERV FUND
12/01/11	333 - 347	\$ 83,823.07	\$ 585.60	\$ 55.80	\$ -	\$ 109,361.75	\$ -
12/06/11	348 - 353	\$ 7,098.57	\$ 14.90	\$ -	\$ -	\$ 800.00	\$ -
12/08/11	354 - 362	\$ 17,816.07	\$ 995.78	\$ 65.10	\$ -	\$ 51,516.61	\$ -
12/12/11	363 - 369	\$ 375,700.81	\$ -	\$ -	\$ -	\$ 1,759.69	\$ -
12/14/11	370 - 376	\$ 41,598.80	\$ 156.49	\$ -	\$ -	\$ 20,321.33	\$ -
12/19/11	377 - 383	\$ 89,313.15	\$ -	\$ -	\$ 314,263.00	\$ -	\$ -
12/20/11	384 - 389	\$ 1,481,374.19	\$ -	\$ -	\$ -	\$ 313.28	\$ -
01/04/12	390 - 396	\$ 9,844.81	\$ 15.02	\$ -	\$ -	\$ 15,514.20	\$ -
01/09/12	397 - 406	\$ 114,294.10	\$ 524.20	\$ 130.20	\$ -	\$ 15,435.44	\$ -
01/10/12	407 - 411	\$ 280,425.10	\$ -	\$ -	\$ -	\$ -	\$ -
01/12/12	412 - 419	\$ 24,288.58	\$ -	\$ -	\$ -	\$ -	\$ -
01/17/12	420 - 427	\$ 239,988.92	\$ 5,423.86	\$ -	\$ -	\$ 45,081.14	\$ -
01/19/12	428 - 434	\$ 58,478.99	\$ 55.80	\$ -	\$ -	\$ 460,534.83	\$ -
01/23/12	434 - 439	\$ 1,479,029.11	\$ -	\$ -	\$ -	\$ 927.10	\$ -
01/26/12	440 - 444	\$ 26,996.96	\$ -	\$ -	\$ -	\$ 193,847.44	\$ -

PIEDMONT UNIFIED SCHOOL DISTRICT

Piedmont, CA 94611

April 30, 2012

TO: Members of the Governing Board

FROM: Constance Hubbard

SUBJECT: Warrant List

Approval is recommended for the following invoice warrants:

DATE	PAGES	GENERAL FUND	ADULT EDUCATION FUND	CAFETERIA FUND	DEFERRED MAINTENANCE FUND	BUILDING FUND	CAPITAL FAC SPEC RESERV FUND
02/03/12	445 - 458	\$ 352,002.43	\$ 2,029.95	\$ 93.00	\$ 10,031.34	\$ 2,291.95	\$ -
02/09/12	459 - 468	\$ 26,798.11	\$ 142.60	\$ 55.05	\$ -	\$ 1,515.95	\$ -
02/15/12	469 - 481	\$ 124,881.37	\$ 188.72	\$ 55.05	\$ -	\$ 37,955.31	\$ -
02/16/12	482 - 489	\$ 61,878.85	\$ 39.72	\$ -	\$ -	\$ 551,785.00	\$ -
02/17/12	490 - 494	\$ 80,589.95	\$ -	\$ -	\$ -	\$ 99,786.58	
02/24/12	495 - 497	\$ 1,410,599.68	\$ -	\$ -	\$ -	\$ -	\$ -
03/01/12	498 - 512	\$ 329,717.80	\$ 800.00	\$ 55.05	\$ 3,150.00	\$ 67,671.80	\$ -
03/05/12	513 - 520	\$ 16,583.10	\$ 1,888.48	\$ -	\$ -	\$ 1,115.10	\$ -
03/07/12	521 - 529	\$ 114,608.44	\$ 36.96	\$ 55.05	\$ -	\$ 21,729.45	\$ -
03/09/12	530 - 536	\$ 25,855.80	\$ -	\$ -	\$ 9,635.00	\$ 3,449.88	\$ -
03/14/12	537 - 545	\$ 27,482.33	\$ 156.49	\$ 73.40	\$ -	\$ 31,619.13	\$ -
03/16/12	546 - 553	\$ 52,165.73	\$ -	\$ -	\$ 22,425.00	\$ 640,437.72	\$ -
03/21/12	554 - 563	\$ 77,966.99	\$ 1,009.40	\$ -	\$ -	\$ 511,580.53	\$ -
03/26/12	564 - 568	\$ 1,472,581.41	\$ -	\$ -	\$ -	\$ 7,875.00	\$ -



MARIE M. ISHIDA, EXECUTIVE DIRECTOR

CALIFORNIA INTERSCHOLASTIC FEDERATION

CIF STATE OFFICE • 4658 DUCKHORN DRIVE • SACRAMENTO, CA 95834 • (916) 238-4477 • FAX (916) 238-4478 • CIFSTATE.ORG

TO: SUPERINTENDENT OF PUBLIC SCHOOLS
PRINCIPAL OF PRIVATE SCHOOLS

FROM: MARIE M. ISHIDA

RE: ENCLOSED FORM TO RECORD DISTRICT AND/OR SCHOOL REPRESENTATIVES TO LEAGUES

DATE: APRIL 16, 2012

Enclosed is a form upon which to record your district and/or school representatives to leagues for **next year 2012-2013**. It is a form sent every year to you in order to obtain the names of league representatives to every league in the state and to make sure that the league representatives are designated by school district or school governing boards. **It is a legal requirement that league representatives be so designated.**

The education code gives the authority for high school athletics to high school governing boards. The code also requires that the boards, after joining CIF, designate their representatives to CIF leagues. This is a necessity! (Ed. Code 33353 (a) (1))

We are asking that, after action by the governing board, you **send the names of league representatives to your CIF Section office**. Obviously, the presumption behind this code section is that the representatives of boards are the only people who will be voting on issues, at the league and section level, that impact athletics.

If a governing board does not take appropriate action to designate representatives or this information is not given to Section offices within the required time frame, CIF is required to suspend voting privileges (CIF Constitution, Article 2, Section 25, p.16) for the affected schools.

At the State Federated Council level we will be asking that Sections verify that their representatives are designated in compliance with this Ed. Code section.

I hope this gives you a bit of background. Thank you for all you do to help support high school athletics. It is a valuable program in all high schools and we appreciate the support you give to the program and to CIF.

Please return the enclosed form no later than July 1, 2011 directly to your CIF Section Office. Addresses of each section are listed on the back of the form. Please contact us if we can give you further information.



MARIE M. ISHIDA, EXECUTIVE DIRECTOR

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2012-2013 Designation of CIF Representatives to League

Please complete the form below for each school under your jurisdiction and **RETURN TO THE CIF SECTION OFFICE (ADDRESSES ON REVERSE SIDE)** no later than July 2, 2012.

Piedmont Unified _____ School District/Governing Board at its 5/9/2012 meeting,
(Name of school district/governing board) (Date)

appointed the following individual(s) to serve for the 2012-2013 school year as the school's league representative:

PHOTOCOPY THIS FORM TO LIST ADDITIONAL SCHOOL REPRESENTATIVES

NAME OF SCHOOL Piedmont High School
NAME OF REPRESENTATIVE Rich Kitchens POSITION Principal
ADDRESS 800 Magnolia Ave. CITY Piedmont ZIP 94611
PHONE 510-450-2625 FAX 510-450-0425 E-MAIL rkitchens@piedmont.k12.ca.us

NAME OF SCHOOL Piedmont High School
NAME OF REPRESENTATIVE Karyn Shipp POSITION Assistant Principal
ADDRESS 800 Magnolia Ave. CITY Piedmont ZIP 94611
PHONE 510-594-2762 FAX 510-450-0425 E-MAIL kshipp@piedmont.k12.ca.us

NAME OF SCHOOL Piedmont High School
NAME OF REPRESENTATIVE Anne Dolid POSITION Assistant Principal
ADDRESS 800 Magnolia Ave. CITY Piedmont ZIP 94611
PHONE 510-594-2647 FAX 510-450-0425 E-MAIL adolid@piedmont.k12.ca.us

NAME OF SCHOOL Piedmont High School
NAME OF REPRESENTATIVE Jeff Peters POSITION Athletic Director
ADDRESS 800 Magnolia Ave. CITY Piedmont ZIP 94611
PHONE 510-594-2744 FAX 510-450-0425 E-MAIL jpeters@piedmont.k12.ca.us

If the designated representative is not available for a given league meeting, an alternate designee of the district governing board may be sent in his/her place. **NOTE:** League representatives from public schools and private schools must be designated representatives of the school's governing boards in order to be eligible to serve on the section and state governance bodies.

Superintendent's or Principal's Name Constance Hubbard Signature _____

Address 760 Magnolia Ave. City Piedmont Zip 94611

Phone 510-594-2614 Fax 510-654-7374

**PLEASE MAIL OR FAX THIS FORM DIRECTLY TO THE CIF SECTION OFFICE. SEE
REVERSE SIDE FOR CIF SECTION OFFICE ADDRESSES.**

PIEDMONT UNIFIED SCHOOL DISTRICT

Piedmont, California

May 9, 2012

TO: Members of the Board of Education

FROM: Constance Hubbard, Superintendent

SUBJECT: Personnel Action

SUBJECT TO BOARD APPROVAL

Employment: Classified

Chloe Mach	Special Ed Paraeducator	Beach
Effective 4/2/12	1.0 FTE	

Resignation: Classified

Emily Finkel	Special Ed Paraeducator	Beach
Effective 4/9/12	1.0 FTE	

Employment: Certificated

Stacey McGuffin	Resource Specialist	PMS
Effective 4/16/12	1.0 FTE	

Resignation/Request for Leave of Absence: Certificated

Dina Hirsch	English Teacher	PHS
10/31/11-6/13/12	.8 FTE (1.0 FTE Total)	

Cindy Soulier	Science/P.E. Teacher	PMS
4/2/12-6/13/12	.6 FTE (1.0 FTE Total)	

Jodi Carter	2 nd Grade Teacher	Havens
4/16/12-6/13/12	1.0 FTE	

Kristina Melick	3 rd Grade Teacher	Wildwood
4/16/12-6/13/12	1.0 FTE	

Joanne Guillen Donohoe	Spanish Teacher	PHS
2012-13 School Year	.2 FTE (.8 FTE Remaining)	

Christine Alper	French Teacher	PHS
2012-13 School Year	.2 FTE (.6 FTE Remaining)	

Courtney Goen	History Teacher	PHS
2012-13 School Year	.2 FTE (.8 FTE Remaining)	

Deborah Hill	English Teacher	PHS
5 1 / 5 2 12-13 School Year	.2 FTE (.8 FTE Remaining)	

Board of Education Meeting
Personnel Action List
May 9, 2012
Page 2 of 2

Resignation/Request for Leave of Absence: Certificated (cont.)

Cindy Soulier	Science/P.E. Teacher	PMS
2012-13 School Year	1.0 FTE	

Stan Nakahara	ROP Teacher/PE Trainer	PHS
Effective 6/14/12	.4 FTE	

Extra Compensation

Nancy Parker	BTSA mentor	Beach
Effective 4/30/12		

Diane Bomberg	BTSA mentor	Beach
Effective 4/30/12		

Robin Ludmer	BTSA mentor	Beach
Effective 4/30/12		

Carolyn White	BTSA mentor	PMS
Effective 4/30/12		