

October 1, 2008

To: Board Members

From: Dena Whittington, Assistant Superintendent Business Services

Through: Sharon McClain, Superintendent

Subject: Board Approval to Advertise for Bids to Repair the Sunshade Structure at Del Mar Heights School

Board Approval to advertise for bids to repair the sunshade structure at Del Mar Heights School was granted at the regular board meeting on May 28, 2008. One bid was received at the designated opening time on June 19, 2008. The District was unable to accept the bid because the contractor was unable to finalize the required paperwork and conform to the bid specifications. Therefore, the contractor was classified as unresponsive.

Randy Wheaton, Director of Maintenance, requests approval to advertise for bids a second time. The timeline for successful completion of this work during Thanksgiving week, while students are off campus, will require advertising for bids beginning the week of October 13 and the bid opening on November 14. This schedule will allow for contract award at the November 19, 2008 board meeting.

**FISCAL IMPACT:** This expenditure is included in the adopted 2008/2009 restricted maintenance budget. There will be no change to the fund balance.

**RECOMMENDED:** The Superintendent recommends that the Board of Trustees approves advertising for bids to repair the sunshade structure at Del Mar Heights School.

\*3.0

October 1, 2008

To: Board Members

From: Sharon McClain, Superintendent

Subject: Board Approval, Contract between the Del Mar Union School District and Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants & Consultants, Caroline Larson, Auditor & Partner

The contract provides for Caroline Larson, a partner in Vavrenik, Trine and Day & Co., LLP, Certified Public Accountants and Consultants will discuss conducting an independent review of the District's Budget to assist in the Strategic Planning process. The review would provide a professional opinion to the District about dealing with the Basic Aid uncertain revenue stream.

The goal of an Independent Review is to develop a model specifically for Del Mar that can be used to give the Board and District options for the organization of the District budget that will help in future decision-making processes.



**Vavrinek, Trine, Day & Co., LLP**  
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

September 25, 2008

Dr. Sharon McClain  
Superintendent  
Del Mar Union School District  
225 Ninth Street  
Del Mar, CA 92014

Dear Dr. McClain:

Please find this engagement letter as an addendum to the previous letter dated, September 15, 2008. After attending the Board of Trustees meeting last night, I am responding to their request for a more detailed proposal for service. This proposal may be modified upon consideration by the administration and the Board so that it may best meet the needs of the District.

Based on the feedback from the Board last night, it appears that the Board has confidence in the financial statements and the District's Chief Business Official. A cursory review of the District's 2007/08 Unaudited Actuals and the 2007 audit report<sup>1</sup> support the Board's confidence and demonstrates a history of financial solvency. These documents reveal a District that has a history of a General Fund 20-30% available fund balance, positive cash flow, surplus spending and a 10% annual increase in property taxes. The District is a Basic Aid District that receives approximately \$2,000 more per student of unrestricted dollars due to property taxes exceeding the revenue limit calculation. The District also employs a Chief Business Official / Chief Financial Officer who has three years of District service, demonstrating stability in this position.

VTD appreciates that past performance does not always predict future success and recognizes that whenever a change in leadership occurs at both the Board and the Superintendent position, that it may be deemed necessary to reconsider the District's educational and financial priorities. The District currently benefits from a Superintendent who is in her third leadership role as a Superintendent, and from a highly educated, sophisticated Board with corporate, educational and financial experience.

Based on this brief introduction to the District, it is my observation, as an independent party, that the District has contacted our firm to assist in these tasks and therefore, I provide the following proposal to do so. Should the District view this proposal differently, it can be modified as requested.

**DELIVERABLE: OPTION ONE**

A written report that details the basic components of the District's budget so that the District may prioritize its needs with a financial cost attached to each. Our firm would provide the District with a financial report that is relevant for strategic planning.

Some possible examples of cost components:

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<sup>1</sup> Posted on the District web site

- Determine the cost of staffing the District’s classrooms per State minimum requirements and DMCTA Contract provisions to establish a baseline of service.<sup>2</sup> Then, determine the cost of the additional teaching staff at Del Mar USD that exceeds the minimum requirements.
- Determine the enrollment break-even point for maintaining a school<sup>3</sup>
- Determine the cost of prep period for teaching staff
- Determine the encroachment of programs operated by donated funds<sup>4</sup>
- Determine the budgeted inflation factors included in the budget<sup>5</sup>
- Determine the budget encroachment of special education services
- Determine the cost of release and compensatory days

Some of these items in the example above may or may not be of relevance to the strategic planning process. Some items may also have been agreed to in collective bargaining agreements. In order to determine which items should be assigned a cost, it would benefit this independent party to speak with District leadership as to the various programs of interest that have been implemented over the years that enrich the District. This process would require interviews, and VTD would work with the leadership to determine the most effective way to obtain this information.

The next phase of the project would be to work with the Chief Business Official to research the source documents related to the enrichment programs. After performing the cost estimates, the report would be drafted and presented to the Board at a public meeting.

It is my experience that these types of reports are labor intensive due to addressing to the unique needs of the District, working with a leadership team that has daily demands on their time and retrieving data that is not readily available in an easy-to-analyze format through efficient systems. Additionally, this type of engagement does not follow a VTD template, nor do I believe one exists for K-12 education.

Therefore, the following cost estimate of this engagement is provided as follows:

<b>Process</b>	<b>Estimated VTD Time</b>	<b>Estimated Cost at \$175 per Hour</b>
Interviewing Leadership to Determine Enrichment	24-30 hours	\$4200-5250
Researching Source Documents	24-30 hours	\$4200-5250
Analyzing Costs	24-30 hours	\$4200-5250
Writing Report	16 hours	\$2800
Presenting to Board	4 hours	\$700
<b>Total Estimate</b>	<b>92 – 110 hours</b>	<b>\$16,100-19,360</b>

<sup>2</sup> Utilizing the original J-7 class size parameters for each grade level and DMCTA Contract provisions

<sup>3</sup> Determine the enrollment point whereby a school become financially efficient

<sup>4</sup> Many times programs are operated with the understanding that donations fully cover the cost. In my experience, it is very likely that this is not always the case.

<sup>5</sup> Examples of inflationary pressures would be the difference in amounts budgeted from 2007/08 to 2008/09 for utilities, communications, contracted services, and employee contractual agreements (i.e., uncapped health benefits, workers compensation increases)

**DELIVERABLE: OPTION TWO**

Another option to this process would be to have the District begin the strategic planning process, determine the goals and objectives of such initiatives, and have our firm assist the Chief Business Official to assign costs to the initiatives. This is a different perspective from the prior option in that the District's strategic team is providing more guidance to this independent party, as opposed to this independent party attempting to determine the priorities of the District in advance.

A fee structure will be provided when more guidance is provided from the District.

**FEES**

Fees will be based on the hours worked. Invoices will be submitted monthly and are due upon receipt.

<b>VTD Staff</b>	<b>Hourly Rate</b>
<b>September 15, 2008 through December 31, 2009</b>	
Partner / Principal	\$175
Consultant / Manager	\$135
Supervisor	\$120
Senior Accountant	\$100
SBS Staff Accountant	\$75
Paraprofessional	\$65

In addition to such payment for personal services, VTD shall be reimbursed for such travel as may be necessary, including expenses for hotels, meals and mileage computed at the IRS rate per mile.

Regardless of the option selected, VTD makes every effort to contain costs for its clients.

**If this engagement letter correctly states your understanding of the engagement, please sign below and return a copy for our files.**

**VAVRINEK, TRINE, DAY & CO., LLP.**

By: Caroline Larson, Partner

Date:

**DEL MAR UNION SCHOOL DISTRICT**

By: Superintendent

Date:

October 1, 2008

To: Board Members

From: Sharon McClain, Superintendent

Subject: Timeline and Process for Hiring New Principal for the Del Mar Hills Academy

Since the beginning of the school year, Del Mar Hills Academy of Arts and Sciences has enjoyed the Interim Principal services of Mr. Vince Jewell. Mr. Jewell has recently notified the District that he will be leaving his position by the Thanksgiving break.

Mr. Jewell has been an excellent Interim Principal. He has facilitated the successful opening of school and has helped to establish a positive and safe learning environment. Additionally, he has worked with staff and parents to formulate goals for the 08-09 school year.

With Mr. Jewel leaving, is important that the staff, parents and students of Del Mar Hills School have the leadership and support that a permanent full time principal would bring. A permanent principal would contribute stability and accountability to school programs that will continue to move the school forward. For these reasons, I recommend that the District hire a permanent, full time principal to provide high quality instructional leadership and commitment to the vision and goals of the Del Mar Hills Academy of Arts and Sciences.

The following timeline will provide for the hiring of a new principal and crossover time with Mr. Jewell:

Tuesday, Oct. 7	Deadline for filing an application
Thursday, Oct. 9	Complete paper screening and select candidates for first round interviews
Wednesday, Oct. 15	Conduct first round interviews with combined community and staff panel

*Special Board Meeting of October 1, 2008*

Friday, Oct. 17 Superintendent,	Conduct second round interviews with Assistant Superintendent for Curriculum and Instruction, Director of Human Resources
Tuesday, Oct. 21	Site visit of finalist
Wednesday, Oct. 22	Board appoints new principal
As soon as possible	New principal begins assignment at Del Mar Hills Academy of Arts and Sciences