



# DEL MAR

## UNION SCHOOL DISTRICT

### Mission Statement

Supported by an involved community, an outstanding staff, and a shared vision for academic excellence, the Del Mar Union School District is committed to providing a rigorous, inspiring, and nurturing education program that is continually evolving to develop well-round individuals who embrace learning for life and who are prepared to meet the challenges of the future.

### We believe that...

- Every individual has worth
- Individuals deserve the opportunity to reach their potential
- Learning is a life-long process
- Everyone has the right to be safe
- Everyone can make a difference
- Individuals and communities have responsibilities to each other
- The uniqueness of individuals enriches the community

### We believe in...

- Honesty and integrity
  - Treating others with respect
  - The principles of Democracy
- [www.dmusd.org](http://www.dmusd.org)

### Board of Trustees

Kristin Gibson  
Doug Perkins  
Doug Rafner  
Comischell Rodriguez  
Scott Wooden



### Superintendent

James D. Peabody

## DEL MAR UNION SCHOOL DISTRICT

### SPECIAL BOARD MEETING BY THE BOARD OF TRUSTEES

March 14, 2011  
5:00 p.m.

Del Mar Union School District Office  
225 9<sup>th</sup> Street  
Del Mar, CA 92014

#### Public Inspection of Documents

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the board meeting are available for inspection at the Del Mar Union School District, 225 9<sup>th</sup> St. Del Mar, CA 92014.

#### Hearing of the Public

Persons wishing to address the Board on any item except personnel are invited to do so at this time. In the interest of time and order, presentations from the public are limited to 3 minutes per person, per topic. If you wish to speak, complete a card (located at the sign-in desk) and present it to the Secretary of the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name, address, and organization before making your presentation.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may (1) acknowledge receipt of the information, (2) refer to staff for further study; or (3) refer the matter to the next agenda.

#### Closed Session

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations.

#### Cell Phones/Pagers

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the meeting room.

#### Assistance With Meeting

In compliance with the Americans With Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Superintendent at (858) 755-9301 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.

BUSINESS TO BE TRANSACTED WILL BE LIMITED TO THE FOLLOWING:

1. Call to Order

2. Approval of the Agenda

Motion \_\_\_\_ Second \_\_\_\_ Ayes \_\_\_\_ Nays \_\_\_\_

3. Public Input

4. Board Approval, Second Interim

Motion \_\_\_\_ Second \_\_\_\_ Ayes \_\_\_\_ Nays \_\_\_\_

5. Discussion, Dates for Strategic Management

Adjourn to Closed Session

\_\_\_\_\_ Time

6. CLOSED SESSION AGENDA:

6.1 Conference with Legal Counsel – Anticipated Litigation (Government Code Section 54956.9(b); Name of Case: One case

Reconvene to Open Session

7. Report of Action Taken in Closed Session

8. Adjournment of meeting

Motion \_\_\_\_ Second \_\_\_\_ Ayes \_\_\_\_ Nays \_\_\_\_

\_\_\_\_\_ Time

March 11, 2011

To: Board Members

From: Cathy Birks, Assistant Superintendent, Business Services

Through: James Peabody, Superintendent

Subject: Agenda Item 4.0: Board Approval of 2010-2011 Second Interim Report

AB1200 requires Local Educational Agencies to file interim reports of their annual budget as of October 31 and January 31, respectively. The District must collect the financial data for these reporting periods and prepare appropriate Interim Reports for Governing Board review, approval and submission, within 45 days of the close of these periods. Education Codes 42130 and 42131 require that Interim Reports be submitted to the Governing Board on the SACS forms.

FISCAL IMPACT: **Cost** – Expenditures by fund listed on enclosed forms  
**Program or Department** – Government Wide  
**Is this a Restricted Program?** Restricted and Unrestricted funds enclosed  
**Was this expenditure anticipated in the adopted budget?** Yes  
**Will this Program or Department be over budget after this expenditure?** Please see enclosed forms for fund balance by fund

RECOMMENDED: The Superintendent recommends approval of 2010-2011 Second Interim Report.

**Multi-Year Projection Assumptions Sheet  
2nd Interim 2010-11**

SCHOOL DISTRICT : Del Mar Union Elementary

REVISED BUDGET:   
WORKING BUDGET:

Data in shaded areas are provided by SDCOE (for information only)

DESCRIPTION	SDCOE	FY 2010-11	FY 2011-12	FY 2012-13	
	Assumptions	(Base Year)	(Project YR 1)	(Project YR 2)	
Statutory COLA - (SSC Dartboard)		-0.39%	1.67%	1.80%	
Funded COLA - (Revenue Limit)		-0.39%	1.67%	1.80%	
Funded COLA - (Categorical)		0.00%	0.00%	1.80%	
Revenue Limit Deficit - (SSC Dartboard & SDCOE Est)		17.963%	19.608%	19.608%	
California Consumer Price Index - (SSC Dartboard)		1.20%	1.70%	2.20%	
Lottery Per ADA (SSC Dartboard)	Unrestricted	\$ 112.50	\$ 111.00	\$ 110.00	
	Restricted	\$ 17.50	\$ 17.50	\$ 17.20	
Total Equalization (if applicable)	\$0.00	\$ -			
Current Interest Rate - (SD County Treasurer's Office)		0.75%	0.75%	0.75%	
Property Taxes (% increase)	(District Input)	0.00%	0.00%	0.00%	
Projected Budget Reduction	Unrestricted				
	Restricted				
Average Daily Attendance (ADA) Projections	(District Input)	4,230.17	4,234.05	4,319.41	
	% Change		0.09%	1.98%	
<b>Salary Step &amp; Column Percent Increases:</b>					
Teachers	1100	2.00%	2.00%	2.00%	2.00%
Certificated Pupil Support	1200	2.00%	2.00%	2.00%	2.00%
Certificated Supervisor & Admin	1300	2.00%	2.00%	2.00%	2.00%
Other Certificated	1900	0.00%	0.00%	0.00%	0.00%
Instructional Aides	2100	2.00%	2.00%	2.00%	2.00%
Classified Support	2200	2.00%	2.00%	2.00%	2.00%
Classified Supervisor & Admin	2300	2.00%	2.00%	2.00%	2.00%
Clerical, Technical, & Office Staff	2400	2.00%	2.00%	2.00%	2.00%
Other Classified	2900	0.00%	0.00%	2.00%	2.00%
<b>Mgmt, Cert, &amp; Classified Contract Increases:</b>					
Management Increases	(District Input)	0.00%	0.00%	0.00%	
Certificated Increases	(District Input)	0.00%	0.00%	0.00%	
Classified Increases	(District Input)	0.00%	0.00%	0.00%	
<b>Benefits:</b>					
STRS	3100-3102		8.25%	8.25%	8.25%
PERS	3200-3202		10.707%	11.20%	13.70%
OASDI/Medicare/Alternative	3300-3302		1.45%	1.45%	1.45%
Health & Welfare Increase (% increase)	3400-3402		10.00%	10.00%	10.00%
State Unemployment	3500-3502		0.72%	0.72%	0.72%
Workers' Comp (% increase)	3600-3602		1.20%	1.70%	2.20%
OPEB Allocated Costs (% increase)	*3711-3712		1.00%	1.00%	1.00%
OPEB Active Employee Costs (% increase)	3751-3752		1.00%	1.00%	1.00%
PERS Reduction	3801-3802		0.000%	0.000%	0.000%
Other Employee Benefits (include early retirement incentive)	3900-3902	(District Input)			
			Unrestricted	Restricted	Combined
FY 2010-11 General Fund Beginning Balances (District Input)			\$ 14,437,320	\$ 896,124	\$ 15,333,445
(+/-) Audit Adjustment (District Input)			\$ -	\$ -	\$ -
Net Beginning Balance			\$ 14,437,320	\$ 896,124	\$ 15,333,445

Note: The SDCOE recommended assumptions are just that, assumptions. Please forecast accordingly to your district's size and financial picture.

\*Roll up to 3701 and 3702

SDCOE Business Consultant

\_\_\_\_\_  
Initials/Date

**Multi-Year Projections Summary Report  
Del Mar Union Elementary 2nd Interim 2010-11**

DESCRIPTION	OBJECT CODE	FY 2010-11 Current (Base Year)			FY 2011-12 First Projected Year			FY 2012-13 Second Projected Year			
		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
<b>A</b>	<b>Beginning Balance as of July 1</b>	<b>\$14,437,320</b>	<b>\$896,124</b>	<b>\$15,333,445</b>	<b>\$12,779,386</b>	<b>\$103,939</b>	<b>\$12,883,326</b>	<b>\$8,942,791</b>	<b>\$103,939</b>	<b>\$9,046,730</b>	
<b>B</b>	<b>Revenues</b>										
1	Revenue Limit Sources	8010-8099	32,257,584	365,458	32,623,042	32,253,661	369,381	32,623,042	32,249,361	373,681	32,623,042
2	Federal Revenues	8100-8299	0	2,097,001	2,097,001	0	949,869	949,869	0	949,869	949,869
3	Other State Revenues	8300-8599	2,211,167	349,292	2,560,459	2,091,074	365,696	2,456,770	2,116,458	369,744	2,486,202
4	Other Local Revenues	8600-8799	1,919,086	1,472,591	3,391,677	1,919,086	1,472,591	3,391,677	1,919,086	1,498,702	3,417,788
<b>5</b>	<b>Total Revenues</b>		<b>36,387,837</b>	<b>4,284,342</b>	<b>40,672,179</b>	<b>36,263,821</b>	<b>3,157,537</b>	<b>39,421,358</b>	<b>36,284,905</b>	<b>3,191,995</b>	<b>39,476,901</b>
<b>Beginning Balance &amp; Revenue (A+B5)</b>			<b>\$50,825,157</b>	<b>\$5,180,466</b>	<b>\$56,005,624</b>	<b>\$49,043,207</b>	<b>\$3,261,477</b>	<b>\$52,304,684</b>	<b>\$45,227,696</b>	<b>\$3,295,934</b>	<b>\$48,523,631</b>
<b>C</b>	<b>Expenditures</b>										
1	Certificated Salaries	1000-1999	19,767,653	2,673,098	22,440,751	20,162,658	2,726,213	22,888,871	20,565,563	2,780,390	23,345,953
2	Classified Salaries	2000-2999	3,455,164	2,720,278	6,175,442	3,524,267	2,774,684	6,298,951	3,594,753	2,830,177	6,424,930
3	Employee Benefits	3000-3999	5,427,385	1,178,928	6,606,313	5,739,263	1,243,162	6,982,425	6,149,506	1,365,286	7,514,792
4	Books & Supplies	4000-4999	1,428,147	1,328,784	2,756,931	1,453,734	588,739	2,042,473	1,514,445	613,326	2,127,771
5	Services, Other Operating Exp	5000-5999	2,519,593	2,727,151	5,246,744	2,562,426	2,129,513	4,691,939	2,618,799	2,176,362	4,795,161
6	Capital Outlay	6000-6999	1,112,650	0	1,112,650	219,061	0	219,061	223,880	0	223,880
7	Other Outgo - exclude Direct Sup	7100-7299	23,500	43,739	67,239	23,900	44,483	68,382	24,425	45,461	69,886
8	Debt Service	7400-7499	174	88,175	88,349	174	88,175	88,349	174	88,175	88,349
9	Direct Support/Indirect Costs	7300-7399	(22,121)	0	(22,121)	(22,497)	0	(22,497)	(22,992)	0	(22,992)
10	CSR Reduction (for info only)	1000-7999							0	0	
11	Projected Budget Reduction		0	0	0	0	0	0	0	0	0
<b>12</b>	<b>Total Expenditures:</b>		<b>\$33,712,145</b>	<b>\$10,760,153</b>	<b>\$44,472,298</b>	<b>\$33,662,986</b>	<b>\$9,594,968</b>	<b>\$43,257,954</b>	<b>\$34,668,554</b>	<b>\$9,899,177</b>	<b>\$44,567,731</b>
<b>D</b>	<b>Interfund Xfers/Other Sources</b>										
1	Transfers In	8910-8929	1,350,000	0	1,350,000	0	0	0	0	0	0
2	Transfers Out	7610-7629	0	0	0	0	0	0	0	0	0
3	Sources	8930-8979	0	0	0	0	0	0	0	0	0
4	Uses	7630-7699	0	0	0	0	0	0	0	0	0
5	Contributions	8980-8999	(5,683,626)	5,683,626	0	(6,437,430)	6,437,430	0	(6,707,182)	6,707,182	0
<b>E</b>	<b>Net Increase (Decrease) In Fund Balance</b>		<b>(\$1,657,934)</b>	<b>(\$792,185)</b>	<b>(\$2,450,119)</b>	<b>(\$3,836,596)</b>	<b>(\$0)</b>	<b>(\$3,836,596)</b>	<b>(\$5,090,831)</b>	<b>(\$0)</b>	<b>(\$5,090,831)</b>
<b>F</b>	<b>Ending Balance</b>		<b>\$12,779,386</b>	<b>\$103,939</b>	<b>\$12,883,326</b>	<b>\$8,942,791</b>	<b>\$103,939</b>	<b>\$9,046,730</b>	<b>\$3,851,960</b>	<b>\$103,939</b>	<b>\$3,955,899</b>
1	Revolving Cash	9711	0	0	0	0	0	0	0	0	0
2	Other Reserves	97xx	0	0	0	0	0	0	0	0	0
3	General Reserves ( EC 42124 )	9730	0	0	0	0	0	0	0	0	0
4	Designated for Economic Uncertain	9770	1,334,169	0	1,334,169	1,297,739	0	1,297,739	1,337,032	0	1,337,032
5	Other Designations	9780	0	0	0	0	0	0	0	0	0
6	Undesignated Amount	9790	11,445,218	103,939	11,549,157	7,645,052	103,939	7,748,991	2,514,928	103,939	2,618,867
<b>G</b>	<b>Components of Ending Fund Balance Total</b>		<b>\$12,779,386</b>	<b>\$103,939</b>	<b>\$12,883,326</b>	<b>\$8,942,791</b>	<b>\$103,939</b>	<b>\$9,046,730</b>	<b>\$3,851,960</b>	<b>\$103,939</b>	<b>\$3,955,899</b>

**3% Calculated Reserve, or \$50,000 (greater of the two)**

Reserve Percentage Level for this district:	<b>3.00%</b>		<u>Total Reserves</u>	<u>3% Calculated</u>	<u>Difference*</u>
FY 2010-11 ADA Input Sheet (District):	<b>4,230.17</b>	FY 2010-11 Bud	\$1,334,169	\$1,334,169	\$0
		FY 2011-12 Proj	\$1,297,739	\$1,297,739	\$0
		FY 2012-13 Proj	\$1,337,032	\$1,337,032	\$0

FY 2011-12 Unappropriated Amount is: **Positive**

FY 2012-13 Unappropriated Amount is: **Positive**

\*NOTE: Negative number means reserve % not met compares amount in 9770 only.

NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was based upon and reviewed using the state-adopted Criteria and Standards. (Pursuant to Education Code (EC) sections 33129 and 42130)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
District Superintendent or Designee

NOTICE OF INTERIM REVIEW. All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report and certification of financial condition are hereby filed by the governing board of the school district. (Pursuant to EC Section 42131)

Meeting Date: March 14, 2011 Signed: \_\_\_\_\_  
President of the Governing Board

**CERTIFICATION OF FINANCIAL CONDITION**

- POSITIVE CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- QUALIFIED CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- NEGATIVE CERTIFICATION**  
As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

Contact person for additional information on the interim report:

Name: Catherine J. Birks Telephone: 858-523-6171  
Title: Assitant Superintendent Business Services E-mail: cbirks@dmusd.org

**Criteria and Standards Review Summary**

The following summary is automatically completed based on data provided in the Criteria and Standards Review form (Form 01CSI). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern, which could affect the interim report certification, and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	

CRITERIA AND STANDARDS (continued)			Met	Not Met
2	Enrollment	Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
3	ADA to Enrollment	Projected second period (P-2) ADA to enrollment ratio for the current and two subsequent fiscal years is consistent with historical ratios.	X	
4	Revenue Limit	Projected revenue limit for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
5	Salaries and Benefits	Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than the standard for the current and two subsequent fiscal years.	X	
6a	Other Revenues	Projected operating revenues (federal, other state, other local) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.		X
6b	Other Expenditures	Projected operating expenditures (books and supplies, services and other expenditures) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.		X
7a	Deferred Maintenance	SBX3 4 (Chapter 12, Statutes of 2009) eliminates the local match requirement for Deferred Maintenance for a five-year period from 2008-09 through 2012-13. Therefore, this item has been inactivated for that period.		
7b	Ongoing and Major Maintenance Account	If applicable, changes occurring since first interim meet the required contribution to the ongoing and major maintenance account (i.e., restricted maintenance account).	X	
8	Deficit Spending	Unrestricted deficit spending, if any, has not exceeded the standard in any of the current or two subsequent fiscal years.		X
9a	Fund Balance	Projected general fund balance will be positive at the end of the current and two subsequent fiscal years.	X	
9b	Cash Balance	Projected general fund cash balance will be positive at the end of the current fiscal year.	X	
10	Reserves	Available reserves (e.g., designated for economic uncertainties, undesignated amounts) meet minimum requirements for the current and two subsequent fiscal years.	X	

SUPPLEMENTAL INFORMATION			No	Yes
S1	Contingent Liabilities	Have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) occurred since first interim that may impact the budget?	X	
S2	Using One-time Revenues to Fund Ongoing Expenditures	Are there ongoing general fund expenditures funded with one-time revenues that have changed since first interim by more than five percent?	X	
S3	Temporary Interfund Borrowings	Are there projected temporary borrowings between funds?	X	
S4	Contingent Revenues	Are any projected revenues for any of the current or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel tax, forest reserves)?	X	
S5	Contributions	Have contributions from unrestricted to restricted resources, or transfers to or from the general fund to cover operating deficits, changed since first interim by more than \$20,000 and more than 5% for any of the current or two subsequent fiscal years?		X

SUPPLEMENTAL INFORMATION (continued)			No	Yes
S6	Long-term Commitments	Does the district have long-term (multiyear) commitments or debt agreements?	X	
		• If yes, have annual payments for the current or two subsequent fiscal years increased over prior year's (2009-10) annual payment?	n/a	
		• If yes, will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?	n/a	
S7a	Postemployment Benefits Other than Pensions	Does the district provide postemployment benefits other than pensions (OPEB)?	X	
		• If yes, have there been changes since first interim in OPEB liabilities?	n/a	
S7b	Other Self-insurance Benefits	Does the district operate any self-insurance programs (e.g., workers' compensation)?	X	
		• If yes, have there been changes since first interim in self-insurance liabilities?	n/a	
S8	Status of Labor Agreements	As of second interim projections, are salary and benefit negotiations still unsettled for:		
		• Certificated? (Section S8A, Line 1b)	X	
		• Classified? (Section S8B, Line 1b)	X	
S8	Labor Agreement Budget Revisions	For negotiations settled since first interim, per Government Code Section 3547.5(c), are budget revisions still needed to meet the costs of the collective bargaining agreement(s) for:		
		• Certificated? (Section S8A, Line 3)	n/a	
		• Classified? (Section S8B, Line 3)	n/a	
S9	Status of Other Funds	Are any funds other than the general fund projected to have a negative fund balance at the end of the current fiscal year?	X	

ADDITIONAL FISCAL INDICATORS			No	Yes
A1	Negative Cash Flow	Do cash flow projections show that the district will end the current fiscal year with a negative cash balance in the general fund?	X	
A2	Independent Position Control	Is personnel position control independent from the payroll system?		X
A3	Declining Enrollment	Is enrollment decreasing in both the prior and current fiscal years?	X	
A4	New Charter Schools Impacting District Enrollment	Are any new charter schools operating in district boundaries that are impacting the district's enrollment, either in the prior or current fiscal year?	X	
A5	Salary Increases Exceed COLA	Has the district entered into a bargaining agreement where any of the current or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?	X	
A6	Uncapped Health Benefits	Does the district provide uncapped (100% employer paid) health benefits for current or retired employees?	X	
A7	Independent Financial System	Is the district's financial system independent from the county office system?	X	
A8	Fiscal Distress Reports	Does the district have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).	X	
A9	Change of CBO or Superintendent	Have there been personnel changes in the superintendent or chief business official (CBO) positions within the last 12 months?		X

March 11, 2011

To: Members of the Board  
From: Jim Peabody, Superintendent  
Subject: Agenda Item 5.0: Discussion, Dates for Strategic Management

The Board has contracted with The Haines Center to facilitate a Strategic Management process for the DMUSD. The process will include the Board members, superintendent, principals and assistant principal, DMCTA President, superintendent's Cabinet and parents. The process will take place over a three-day period.

The participants of the Strategic Plan-to-Plan meetings and the Board Members were polled as to their availability on the following 3-day periods:

May 5, 6 & 7  
May 12, 13 & 14  
May 26, 27 & 28  
June 3, 4 & 5

The Thursday and Friday sessions will be held from 3:30 to 7:30 p.m. and the Saturday session will be from 8:30 a.m. to 1:00 p.m. All sessions will be held in a school multi-use room.

The results of the poll show the greatest number of participants are available on May 5, 6 & 7 and June 3, 4 & 5. Holding the process earlier than later is better for the district due to the increased demand on staff time as the school year comes to an end.

FISCAL IMPACT: None.

RECOMMENDED: The superintendent would like the Board to discuss the dates above and agree on one of the 3-day sessions.