

MPCSD BOARD MEETING – SEPTEMBER 27, 2016

CHILD:

....Menlo Park Board Meeting

OK, I'll call the meeting to order. Let me start with Item #2, Public Comment. These would be comments on items that are not on the agenda. I haven't received any cards. (*Inaudible*) public comments to give us a card. It doesn't look like anyone wants to make comments, so let me turn to Item 3, which is Discussion of Terms of Employment Agreement for District Superintendent.

Just by way of background, Maurice Ghysels announced on August 29 that this would be his last year as Superintendent of our district. Since that time the Board has met in closed session two times and a sub-group of the Board has met with candidate Erik Burmeister numerous times. This is not an action item tonight, it is merely a discussion item, so I invite people to provide their comments on the contract or on the matter at hand regarding employment of Mr. Burmeister as our Superintendent. And because this is a personnel issue, if you have things that you'd rather not say in public format, I invite you to send us via email at board@mpcsd.org, your comments. And I would also say that two members of the Board plus Terry, they have not seen this contract yet, so I'll start with if there's discussion, or if you have questions on the contract, and then I'll go to Public Comment, and you need to use the microphone.

UNIDENTIFIED SPEAKER:

I just wanted to confirm that the contract is the same as what we have for our current Superintendent except for the Salary and Salary Terms , everything else is similar.

CHILD:

I think I would point out a couple of differences just to be clear. So, the salary is different...

UNIDENTIFIED SPEAKER:

Terms of that salary are different

CHILD:

Yeah, and the terms of that salary. This is a salary that is flat for three years starting July 1, 2017. It does not... and you'll see it's a three year contract, so it's a flat salary amount for those three years. There's also no health and benefits contribution in this contract as opposed to our current Superintendent does have a health and benefits. I think the other terms are very similar--the vacation, the car allowance, the separation timing and things like that are all very similar to the agreement that we've used with the current Superintendent.

UNIDENTIFIED SPEAKER:

And there are no additional , like many districts have additional stipends or bonuses that are....

CHILD:

There's none of that, I mean, as we pointed out, Erik has already moved to our area, which is great. There is no relocation, there's nothing like that. Joan, any questions?

LAMBERT::

No, I read this earlier, I don't have any questions right now.

CHILD:

OK. Let me then ask for comments from the audience. I received one card from Vince Lopez, so we'll start with you, and if there's others, if you could submit card, that would be great.

VINCE LOPEZ:

Hi, my name's Vince Lopez. I teach third grade at Oak Knoll. I'm also President of the Menlo Park Teachers Association. It is my opinion that teachers across MPCSD support the Board's decision to name Erik Burmeister to succeed Dr. Ghysels as Superintendent. Teachers trust Erik's leadership ability, his track record of innovative education and most importantly his ability to guide our district through the challenging financial times ahead. I believe if you pose this question to teachers and the community alike, "Do you think there is a better candidate out there that is more qualified than Erik to be our Superintendent?" The answer is a resounding "No", and if we can all agree that there is no better candidate out there, what is the point of going through a costly hiring process that Erik would take part in, only to reach the conclusion that we all know right now. This current Board has a job to do, and that is to establish a clear line of succession for the Superintendent position, and for there to be no ambiguity in who will replace Dr. Ghysels in July of 2017. Teacher support for Erik Burmeister does come with one caveat, though. That when he takes over as Superintendent in 2017, the position of Assistant Superintendent needs to be eliminated, thereby saving the district \$200,000 a year in salary or approximately two teaching positions. Thank you.

CHILD:

Thanks, Vince, appreciate it. Anyone else for public comment on this item? Ok, again, feel free board@mpc...OK, go ahead.

SCOTT SAYWELL:

I wanted to clear up something...I'm Scott Saywell, I'm on the Site Council at Laurel, I have two kids at Laurel, and am also a candidate for the School Board in the election this fall. I was contacted because there was some confusion about a quote from me in the Palo Alto Daily Post over the weekend. That actually, I think it led the readers to believe that I was actually called for a reaction to the announcement. Those quotes were actually take the day before the announcement came out, so they were taken (*inaudible*) out of context. I would also say, you know, I've gone campaigning, and going out there, I'm talking to people a lot right now and I've heard exactly what Vincent said. I've literally had people tell me, "Don't you dare spend any money on a search when you're ultimately going to get the same answer." So, I just wanted to give that feedback.

CHILD:

Thank you. OK, again, board@mpcsd if you would like to send comments to us via email and this item is scheduled to be on the agenda for action at our October 18 regular School Board meeting. OK, we'll now move to Item 4, which again is a community input and discussion item, special Board meeting, and I'll turn that over to Dr. Ghysels.

GHYSELS:

Good evening Trustees and members of the public. Tonight, as planned, we are going to have the first of three special Board meetings to continue discussion with the community about the District's structural deficit, and particularly tonight solicit feedback regarding the Board's approach to addressing the

structural deficit, and specifically also tonight to hear feedback about the last May parcel tax election. Last spring we talked about the various Superintendent's advisory committees, and I tasked Erik Burmeister to form a team, a Superintendent's Advisory Communication Team, to study the problem and come back tonight and to facilitate a presentation and a session on public comment, again about the debriefing of the election of May as well as the process going forward, which they'll review with you. I will let Erik Burmeister introduce his team, and tonight we have with us also Stacey Wueste, hi, Stacy, thank you very much. Thank you for being here, we're all ears. Mr. Burmeister:

BURMEISTER:

Thank you, Dr. Ghysels. It's my pleasure to serve in the role of the facilitator for the Superintendent's Advisory Committee on Communication, and as Dr. Ghysels said, I'm joined here at the table by another one of our very involved members, Stacey Wueste, who is a parent of a first grader in the district, and together we have had the opportunity to prepare tonight's presentation for you and to encourage community participation in the input process to share with the Board. I'd like to let you know that our Superintendent Advisory Committee is made up of two Board members: Stacey Jones, who's with us tonight, and Terry Thygesen who is not with us tonight. She had previously been scheduled to be out of town during this time, but she will be reviewing transcript that we create. In addition, we have two parents that serve on the team: Jill Kispert, who's in the audience, and Stacey Wueste, who is to my right. We have three staff members on the team: Lanita Villasenor, who's next to Dr. Ghysels and serves as his assistant, myself and Al Hart, our Director of Technology who is up there at the top helping us to make sure that everything runs smoothly; and last we have a community member, Parke Treadway, who's also here with us tonight.

Our purpose is to advise the Superintendent of issues related to communication and to lead efforts to improve communication both within the organization and without. Our role tonight is to serve as an unbiased facilitator of the process by which will gather input from the community regarding financial planning.

I want to refer everybody to a slide that we have put out recently, and that is an idea of the two-tiered process that we're going about addressing the issue of our structural deficit. You may remember that on September 13, we had an official regular Board meeting to understand the financials of the District, and to create a process to address the structural deficit. At that point, Dr. Ghysels publicly requested that the advisor team on communication serve as a conduit to gather that input, and we identified that the two regular Board meetings in September and October would be dedicated specifically to identifying reductions that could address the structural deficit. Because Measure A and Measure C did not pass, the Board has fiduciary responsibility to ensure that we have a plan moving forward to address the \$5.3 million deficit that have over the course of the next five years. Between the two Board meetings on September 20 and October 18, Dr. Ghysels will be seeking the input from staff and parents, meeting specifically with stakeholder groups like the MPEA Executive Board, the CSEA Executive Board, the District Council, the Foundation Executive Board, and the District Leadership Team. Using that input, the Superintendent will confer with his Cabinet and he will then present an initial recommendation list for potential reductions at the October 18 regular Board meeting. At that time, no one is to assume that those will be the cuts that the Board will move forward on, those cuts are a decision of the Board, and we will be looking to the Board who will not have seen those potential reduction recommendations until that meeting. We'll be looking to them for their guidance and input, and I imagine that they will be seeking the public's guidance and input, and reaction to those proposed cuts. While that regular Board meeting strand is occurring, there's also another strand of meetings that is occurring. As part of the advisory team on communications, we have designed three input sessions. These are special agendized

Board meetings, one on September 27 which is today, to specifically debrief the May 3 parcel taxes of Measure A and Measure C. You may remember that in the spring of 2016, our Board and our Superintendent committed to the community that they would provide an official opportunity for community members to provide input on the failure of the two parcel taxes. Tonight is that night. After the October 18 regular Board meeting, the Board will also conduct in the second strand to the right, two special Board meetings, one during the day and one at night to seek input on two things. One, peoples' reaction to the cuts proposed on October 18, and in addition the community's interest in potentially pursuing another parcel tax to either minimize or completely eradicate any cuts that we may be pursuing. The two lanes of cuts come together on November 9 where our committee will be presenting to the Board a detailed transcription of all of the input that has been provided up until November 9, although I would request you get it in a little sooner than November 9, just because we're going to be working to get that transcription done as best as possible. At that time, the Board will hopefully give us some direction in terms of whether they are leaning toward a March election or not. If they are, then it is necessary, even if they're considering it, it will be necessary to have a Special Board Meeting on November 30. If they are not considering a March election, then it is OK for us to cancel that meeting and plan another meeting to discuss their decisions moving forward. This gives you a good idea of the process through which our committee and the Superintendent have agreed the community will have a really good opportunity to engage in input regarding the future financial planning of the District. In addition, it is necessarily quick, and the reason is because in order for the Board to have all options on the table, we need to have a sense by November 9 or no later than November 30 about what their direction is going to be, because if we're going to get something on the March ballot, which is one of the first options, we have to do this process early. So, the condensed nature of the process is simply to ensure that the Board has all of the options on the table that are available to them.

Alright, so, it's important for us before we begin our input process, for everyone to understand the terms of what we're talking about. My job in this District and on this team is not to serve as a financial planner, to serve as the chief business officer, or to give any advice in terms of how to see the District's finances. However, I do think that I serve an important role in sort of translating the very difficult nature of public funding, particularly public school funding, for folks to make informed input regarding our financial situation. So what I have done is taken the absolutely terrific material that Ahmad Sheikholeslami and his team such as Jill Frederiksen and Emily Tracy have put together, and I've sort of boiled it down to the major points that people need to understand. And so now I'm going to provide you a little bit of an overview of our current financial situation.

It is difficult to understand our financial situation without first understanding what it means to be a community funded district. The Menlo Park City School District is a community funded district, and in order to understand what that means, it's helpful to know what the opposite of a community funded district is. There are two types of fundings for public school districts in the State of California. One is known as a state funded district, otherwise known as revenue limit district, and the other is a community funded district or basic aid district.

A state funded district is a district whose base funding level, which is an amount guaranteed by the state, is not met by local property taxes alone. The state is required to provide additional funds to achieve the guarantee. Funding is provided on average daily attendance and enrollment. Districts in our area that you might know that are state funded districts are districts such as Redwood City, Ravenswood, San Mateo, Foster City, San Carlos, San Bruno, Pacifica and Millbrae. The way that these districts get revenue increases is by an increase in state funding. So when the district's LCFF--a local control funding formula, increases, those districts see a significant increase in their funding. In addition,

if they have an enrollment increase, they actually see an increase in funding for every student that is in their school district. And they do that by measuring attendance; so every day a student is in their seat, that school might receive \$35 for that student in their seat. That is why state funded districts have an incentive to ensure that their attendance numbers are high. In addition, they can go out for parcel taxes, and they can also seek donations. Generally speaking, state funded districts have a more difficult time getting parcel taxes, and when they do they tend to be for less money per parcel, and fewer of them tend to have education foundations and many of their donations come from non-governmental or non-profit organizations.

Community funded districts however, such as Menlo Park City School District, are districts whose base funding level, which is that amount guaranteed by the state, which is the same for state funded districts, is met and often exceeded by the local property tax. The state does not provide any additional funds to meet the guarantee, and funding is not determined by attendance or by enrollment. Examples of this include Menlo Park, Sequoia Union High School District, Palo Alto, Los Lomas, Portola Valley, Woodside, Hillsboro and Los Altos. The way that districts such as ours who are community funded receive increases is through enrollment decreases, meaning when fewer students come they get the same pot of money to divide among a fewer number of students; property tax increases, which over the last few years we have seen a boom in property tax increases, however that is not guaranteed, and as soon as the economy goes down so does our reliance on increased property taxes; donations including those donations of educational foundations; and parcel taxes. Those are the only ways primarily that community funded districts can achieve greater revenue.

So, now that we've had an opportunity to understand a little bit more about what the difference is between a state funded and community funded district, I want to take a little opportunity to review some of the information that our business office has been providing our community over the course of the last year and a half. You can see that Menlo Park City School District gets a majority of its revenue from parcel taxes: 61.7%. Sorry, property taxes. When property taxes go up, our income does raise; however, it's really important to note that it is not a 1-to-1 correlation when the City of Menlo Park's property tax goes up, it doesn't mean that Menlo Park City School District goes up the same amount, and the reason is there are five different school districts that serve the City of Menlo Park, and so the only property tax that we are assessed on are those homes and businesses that are in our attendance area. In addition, 15.2%--a rather significant percent for a district our size--of our revenue comes from parcel taxes, including the soon to be expiring Measure C, which accounts for about \$1.6 million dollars of the \$6.8 million you see up on the screen. Our foundation accounts for 7.9% or 8% of our general operating budget. State and federal funding only accounts for 12.8%, and oftentimes that funding is in the form of one-time funding, so that number can change year to year. We get other local revenue of about 2.3%, and if you want to know what that is, I encourage you to go to the opengov.org link on our website, which is an absolutely terrific tool to understand not only that number but any of the numbers that I'm presenting to you tonight. So as you can see, a huge portion of what we receive comes from our property tax and our parcel tax and our foundation, thus making us a community funded district. And when we are in a situation where we are in deficit spending, we are required to have that conversation with our community and go to our community and say, "Do we cut or do we raise revenue?"

So, you might be interested in knowing how we compare to our neighbors who are also community funded districts. I would assert to you that Menlo Park City School District provides a comparable or better experience than our neighboring school districts, and yet when you look at a comparison of the amount of money per student that our district spends, and the value that you get for that money, it's pretty impressive. Menlo Park City School District spends and is only able to spend \$13,720 per student.

Compare that to Palo Alto at \$15,700; Los Alitos at \$16,700; Portola Valley at \$20,800; and Woodside at \$21,100, I think our community can see, and again I want to say that these are based on 2014-15 data. The reason is, is that EdData is always a year behind and they have not posted--as of the publishing of this document, had posted their 2015-16 numbers. This gives you a great example, visual example, real example of the value of the quality of education for the money that our community is spending.

So where does MPCSD spend this money? That's a great question. Eighty-nine percent of our expenditures are on salaries and benefits. This is not much different from any public school district in the State of California regardless of whether they are community funded or state funded. All other expenses only account for 11% of the resource expenditures. What that means is, in order to cut our way to a solution, you cannot do that without addressing salaries and benefits.

So, Ahmad has talked a lot about the structural deficit. Again, I want to refer everybody to the opengov link on our district website for more specific information about how this is determined, but suffice to say between 2016-17 to 2021-22, you can see that we are spending down our reserves quite dramatically and are very soon going to be in a situation with \$5.3 million in deficit if we were to keep our services exactly as they are today. This is why we are here.

So the three realities that are causing this structural deficit are as important as understanding the numbers. Why is Menlo Park City School District experiencing this deficit? The first is in the area of reductions. In 2010 our community graciously passed Measure C parcel tax, which is about \$200 per parcel with increases by Bay Area CPI each year, and it expires in June 2017. The reason we went out last year, or excuse me, in May last school year for Measures A and C was in part to address the loss of this parcel tax. In addition, there are some important increases. The first is that there's a continued and projected enrollment growth, and I want to let you know that this year we increased by 53 students. This is almost exactly what our demographer has said that we would increase, and we've experienced increase for the last many years, and while we do anticipate it leveling off in the next few years, we do anticipate a continued enrollment growth, and this is without any knowledge of future building on the part of Stanford, on future building on any of the properties that have recently and are going to be sold in the near future. It's simply on what we know about birth rates right now, and the number of people who are choosing public school over private school, or having children or not having children. By comparison our neighboring districts, if you want to know the exact figures, I encourage you to go ask those districts, but I have been told that Palo Alto lost about 250 students this year. Los Alitos increased by only about five students. Portola Valley and Woodside both experienced a decrease, and Redwood City experienced a significant increase in student enrollment. There is one outlier is in this area and that is Menlo Park City School District who increased by 53 students this year.

Next is the state mandated increase in pension costs. I encourage you guys to take a look at our opengov information about how those have increased over the last few years and how they're going to continue to increase all the way to 2021, which is why we have pushed our financial planning all the way out that far. Our pension increases will result at the end to the district paying 19% of an individual employee's salary to state pension cost. We want everybody to know that we believe in a good solid retirement for our teachers, but we also have to make our public understand that those increases which happen to every school district in the State of California are beyond our control.

So, not only do we have deficit that's coming over the course of the next five years totaling \$5.3 million if services stay the same, but we also have an issue with our state and local mandated reserve levels. You may know that we do have a healthy reserve at this time, and over the last several years we have

been engaged in a planned spend down of those reserves. The problem is, is when you're planned spending down reserves you're actually deficit spending because you're spending more money than you're bringing in and you're using your savings as a means to address the increased costs. Now, if you look over time, what's happening is we have, what you can see right here with the dotted lines, those are where our reserve levels would be if they were 20% at 2018-19, if they were 15% at 2018-19, and if they were 10% at 2018-19. Board Policy 3470 requires us to have at least at 10% reserve, and you can see that in just two years we will be dramatically below our reserve level if we keep spending at the current level.

So what? What does this mean? Well, what this means is that we have an operating deficit of \$5.3 million by 2021-22. It also means that our district reserves fall below mandated 10% in 2018-19, which is only two years away. And it also means that the District cannot sustain current operations beyond 2018-19 because of the Board Policy on 10% district reserves.

So when we talk about cuts, it's important to know that not all cuts are the same. And as we think about this, how we skin this cat to get at either increased revenue or cuts, we need to remember all of the different cuts don't have the same impact. So you could say, "Yes, I really want to turn off the lights more and save money on energy", and that's a drop in the bucket compared to some of the other areas that are going to allow us the opportunity to experience significant savings. This is not a slide I put together and I'm not going to spend any more time on it, I just want to refer you to a slide that is in opengov and has been presented in past Board meetings so you can understand that when we look at cuts in reduction, it's important to understand that a 10% reduction in some areas does not amount to a significant amount of money.

So again I bring us back to the process. You heard in summary where we are and why we are there. Tonight we have the opportunity to specifically talk to the Board and provide insight on what we learned from Measure A and Measure C. I do believe that the Board did their due diligence to try to address this issue early on, and I think one of the challenges that we might have learned is that there wasn't a sense of urgency, or there wasn't a collective understanding of the situation we're in such that Measure A and C were not the solution for whatever reason. So what we need to know and what the Board needs to know is "why". What is it about Measure A and C that didn't work and how might we go about considering alternate solutions in the future. That is what today's topic is all about. I'm going to pass the mic over to Stacey Wueste, who's going to talk to you a little bit about what our hopes are for tonight, and then we're going free you to give your input.

WUESTE:

Good evening and thanks everyone for being here tonight. So we're going to pivot to the input process portion of the evening, so I hope you're all getting your questions and comments lined up. So, our team, the Superintendent Advisory Committee on Communications team commitment to you tonight is that we will record your input objectively without bias, and present the input to the Board in an organized and thoughtful manner for their consideration. We will continue to eagerly seek and record and objectively input as it is provided to us, and there's several different ways of doing that, so I'll go over that in a second, and this is specifically regarding the financial planning for the District. We will be submitting , as Erik mentioned earlier, written transcripts of all input to the Board on November 9 as part of the public record, and we'll post the videos of input sessions to the District website following each meeting. So in order to help us in this end, if you would like to ask a question or make a comment, please find one of these blue cards that are on the table to fill out so you can be recognized to speak,

and also speak into the mic like I'm trying to do right now so that...we are videotaping right now and we'll be transcribing off the video, so we want to make sure we can capture what you say accurately.

What we ask of you this evening is that you assume positive intent. We all want what is best for our students and the community, please respect others' right to be heard regardless of whether or not you agree. We're asking tonight to try keep your comments focused tonight on feedback and what we can learn from Measures A and C; however, if you have comments on other things, we'll obviously take any and all questions and comments on other topics, but tonight's goal is to focus on what we can learn from Measure A and C. And as you see up there, the calendar for the rest of the meetings which will follow a similar (*inaudible*) tonight, will follow in the coming six weeks or so. Please do keep your public comments to the three minute limit, and if you do have written copy of prepared comments, please feel free to submit that to the Board after your comments.

So, of course, we're looking for your engagement here in person, but we do have some alternate methods for you to use or for you to let your neighbors and other community members know about for the future. So, number one, the email address up there: commadvisoryteam is the Communications Advisory Board here, so any comments or questions you put in that email address will come to us. In addition, there is an online input forum. You go to district.mpcsd.org and go the front page, scroll down to Announcements and find the online forum, so if don't want to comment publicly tonight or you think of something later, feel free to put that comment or question into the online forum and that will also become a part of the transcript that we deliver on November 9. And then breaking news, at the top of the slide there you see a Google URL, blah, blah, blah. It's a new technology we're using tonight, so we think if you go to that live from your phone or tablet or laptop right now and put in a question or comment, it will come to Erik, I think, live, and we will attempt to address those questions as we go. That's it.

BURMEISTER:

Alright, I would like to respectfully hand it back over to our presiding officer, Jeff, and we will continue to remind the community of our agreements should we need to do that, such as speaking in the mic, such as time limits and so forth; but as this is a Board meeting, we're going to allow you the opportunity to dictate the flow of the comments.

CHILD:

OK, so I would encourage or ask people to give us a card and give us your name--you don't have to, so that we can keep track of who's been speaking. I'll just call people in the order that we receive cards. OK, Alex, you're the first card I received, so you can come right back down here and provide your comments.

ALEX KEH:

Thank you, Jeff. Members of the Board and Administration, my name is Alex Keh. I'm a district resident. I opposed the parcel tax this spring for various reasons. One, it was permanent. Two, it was large especially when our current parcel taxes are much higher than other districts. But the major reason I opposed it was that I saw that the district was on the course of higher and higher spending with an ever growing reliance on larger and larger parcel taxes. Locally this has been a pretty good economy, which is supposed be a time to build reserves. Instead our reserves are declining, which is bad news if we ever hit a recession. We try to match neighboring high achieving districts with quality teachers, staff and education program, that's perfectly fine; but the key problem is that our community doesn't have the same financial resources per student as those other districts that we compare ourselves to oftentimes.

Woodside, Portola Valley and Los Altos are small districts and are more rural. MPCSD is more a mid-size district with a mix of urban and suburban. We have many apartments, which makes it difficult to match these more rural districts which are primarily homeowners and land based and fewer apartments. Palo Alto real estate is more valuable per square foot than MPCSD is per square foot so they can capture a larger amount of property tax revenue per household or per square foot than we can. The fact is, for us to spend the same amount as the other districts requires us to keep escalating our parcel taxes higher and higher. We need to face up to the reality that it's very hard for us to keep up with Joneses. It's not sustainable for us in the long term. So I ask that the Board, if they can, create a budget plan in which you can find a spending level that is sustainable in the long term for the property tax capacity this community has. I ask for that the budget to rebuild, that eventually the budget rebuild our reserves so that we can weather the next recession without budget cuts or another parcel tax. If you put such a one in place, many of those who are opposed, including myself, can come around to supporting a new temporary parcel tax. Thank you.

CHILD:

I have not received any other cards yet. I know they're out there. Is there anything online, Erik? OK, Joe, you're up.

JOE GIARUSSO:

Thank you, Board, fellow residents, administrators. My name is Joe Giarusso, resident of the district. Appreciate the time for the Board to hear this, and I will say first and foremost, thank you for beginning to hold sessions such as these. Opengov, I was at a finance committee meeting last week and I did see the presentation, and for all those who are here, I would also encourage you to go to that opengov, it should provide a lot of good information. I haven't drilled down, so I can't fully endorse it, but I do want to say there's some good steps here. Now, with regards to as we're talking about our funding issue here, you know the one thing that I think again, I hear this, maybe I'm being a little too picky on the wording, but when I hear from the Board, administration, and so forth, it's like this one or the other. It's like either cuts or revenue. I'm not hearing a lot of where is the mix going to be. And I've said this now at multiple Board meetings and even at the finance meeting, is it's going to have to be a combined effort, meaning that there are going to be reductions, I'm not going to call them cuts, to me cuts mean you get rid of something all together. A reduction means that, you know, it may not be as robust, or class size may go up by a couple, and it also doesn't mean it's across the board. I think you can say class size, or I think what we also mentioned is, it doesn't mean it's like four in every single class. It may be that maybe an elective class that it's higher, maybe in non-core classes, kindergarten still may be low, maybe a little higher in fourth or fifth. There's ways to look at it. I guess what I'm trying to say is there's multiple ways to, you know, sorry for the pun but-- skin a cat. We can do this in a variety of ways. If I understood at the finance committee, if the spending was to continue as is for that deficit, if I understood correctly, you would have to go to the taxpayers in the district, or the residents, for about an \$800 parcel tax, give or take, but it's a fairly sizable sum. You're talking Measure, how much was Measure C, \$100 and some dollars, \$180, \$170? That's going to be a huge jump. If you try to go to the taxpayers and say we need \$600, \$700, \$800, you're going to fail right off the bat and you're going to be in even worse shape. So it's almost like you almost need to figure out first what do you think the residents will accept, is it just redoing Measure C, is it adding a little bit more, and then from there figure out if we can get them to approve X, then we know where we need to reduce Y to balance it. And the last thing I'm going to say, I know there have been a lot of comments (*timer bell rings...*) I'll try to finish up here, one second, since there's not a long line of people behind me I guess, although I know everyone probably wants to get home. Now I know there's been a lot of talk around the recent approval of across-the-board raises and

so forth, and you know, I think the argument isn't like, should administrators, teachers, not classified (*inaudible*), should they get raises or not? I don't think that's really the argument, but again there's trade-offs. So if we feel, if the Board truly feels--and again, we elect the Board to make decisions on the community's behalf, so if the Board truly feels that raises across the board are important for a variety of reasons, that's fine, but it means there may be other things may have to be reduced in order to (*inaudible*), it's trade-off. Everyone goes through that, people with their own home budgets do that, businesses do that, cities do that, you know, across the board. So, that's just my last comment. Thank you.

CHILD:

Thank you. Our next speaker's Tara Gill.

TARA GILL:

Hello, I'm Tara Gill, recently moved to Menlo Park, I guess now it's been about a year and a half that we've lived here. First off, I have a confession to make. I didn't vote in May, and I think I'm probably part of the problem standing up here in that I didn't, and I have a Masters in Public Policy as well, but there was not a sense of urgency in the new community that I was in, also new to the district, I have a first grader last year that was a kindergartner. A fairly educated person around education funding and policy and have served on committees with Erik before. So with that lack of urgency, it didn't...those pieces of the summary at the beginning are really true, I'm embarrassed to say that. I was very adamant that I would get my license and registration updated before the Primary, and I would make sure my husband's was updated before the General. It's a value I hold very dear and pass on to our child. But I'll also say something that I think as a new resident to the area, something that attracts me and our family to this district was the slide that showed that our district was more grounded than some of our neighbors in how much we spend per child. To me, that's attractive that we're not (*inaudible*)out what the reality of education costs, and instead we go out and we seek amazing teachers that are here tonight, amazing administration, great Board members to serve, parents that serve, and I think that part is that part that was communicated to me as someone who was sort of baseline, didn't know much of what was going on. So that's my confession for the evening. I'm excited about the idea of a new Measure C that's a realistic amount that could be described as a save our teachers, keep our teachers in Menlo Park. I think there's a lot of--and someone whose working in campaigning and policy before, there's a lot of really exciting things that we could authentically share with the community that are true about why Measure C would be important. Thank you.

CHILD:

Thank you, Tara. Our next speaker is Mary Beth Sur.

MARY BETH SUR:

Thank you, Jeff. I'm Mary Beth Sur. I'm a 27 year resident in the Menlo Park City School District, and I've served in the past on school district board committees as a volunteer, and my children attended city schools and we're very thankful for the great education they received here. Having not been really active day-to-day in the district for a number of years because my children have outgrown the school district age limits, I became a little bit disconnected from the daily operations of the district and turned my attention more to other areas, mostly career. But when the parcel tax measure came around and I got my ballot in the mail, receiving the ballot was the very first piece of information that I was exposed to surrounding the parcel tax. So it was a bit of a surprise for me, and as a long time supporter of the schools, I was very inclined to just say OK yes, of course, it's for the schools, it's for the children, yes, yes, yes, we have to vote for this. But when I opened up the voter ballot and started reading it, my attitude

changed, and I was quite surprised. And so I think first of all, if you're seeking feedback in terms of why I didn't support the ballot measure, which is the very first ballot measure that I have not supported for the school district, one reason was that these parcel tax increases were permanent. There was absolutely no checks and balances and accountability on the school district personnel to be proper stewards of capital and, you know, not give the taxpayers any sense of relief if financial conditions changed. Measure C was sold as a temporary parcel tax, Prop 30 was sold as a temporary income tax increase and sales tax increase for people of the State of California, and what I've learned is that there's no such thing as a temporary tax because government always just kind of makes it permanent, and here we are again. So I would not be inclined to vote for any permanent parcel tax increase, and then the second reason I did not support it is because I felt that was not a valid or adequate argument in terms of the financial disclosures and the financial information that was provided, it was proposed based upon oh, we've got all this enrollment growth...(timer bell rings), we've got all this enrollment growth, that's why we need the parcel taxes, and in digging through the numbers and pulling up all the information, it was evident to me that the greatest contributor to the increase for need of money was pension and retiree employee benefit contributions which were going from 8.25% to 19.1% by the year 2019-2020, and I just felt that parcel taxes were not an adequate method to address that very structural issue that's not just a Menlo Park City School District issue, but it's an issue across every single municipality and city across the state and the country and at the federal level. So, I don't think that these parcel taxes are going to be adequate to address that unless we have some fundamental structural reform. And I think the third reason is that I just felt that there was a lack of communication and trust at the School Board or throughout the district, and I even continue to see that in the way procedures are done where they make decisions. If you say you're open to community input and we're going to have all these meetings, yet if you give raises without addressing the deficit, so now you're even making the problem worse, and now you're holding again a gun to the head of the district homeowners, and I think that you're putting the cart before the horse and it would have been better just to hold things off and say, look, we've got these issues with our budget and we're going hold these community meetings, get everybody's input, and then we're going to address it once and for all. But, you know, now you've just made it worse and I just don't think that that was really fair to the people when you say you're seeking input, but now they have no ability to provide input on those, which I think are very important matters because employee benefits and payroll and pension expenses are the largest issue causing those budget issues, 89% of your budget. Yes, it's true that the state sets what you need to contribute, but you set salaries, the state doesn't. So that's all I have to say. Thank you.

CHILD:

Thank you. OK, Scott?

SCOTT SAYWELL:

Thank you. You're asking for feedback and as I said earlier, I've been out there talking to a lot of people, and I have heard very often that people were surprised by the ballot showing up and them not knowing anything about it, OK? The other issue that I've heard is about the sunset clause. I think whether...I understand the rationale to provide a long term stable funding for the district, but at the same time I think the community does want some sort of checks and balances in place. Perhaps they'd be willing to do something longer than just five years or something like that. So, I think, as I said at the Board meeting right after the parcel tax filed, I think fundamentally one of the issues that the school board faces is a trust problem, and I think when you have that problem it's hard to earn that trust back, and I also think that every action that happens right now is going to be scrutinized with a different frame of reference and level of scrutiny just as, you know, while it may make sense to be doing these raises right now and you've been negotiating these things since well before, I think, the parcel tax even went on the ballot,

it's just scrutinized at a different level right now. But I have noticed, I do think you're taking steps in the right direction which tells me you have heard at least somewhat what the community's doing, the opengov today, Erik, I think that was really nicely done where you're presenting the process and making it as clear as possible. But one thing on the expenses, not just comparing to what the schools are locally, but where do we sit nationally? My understanding is on the east coast they actually spend a lot more per pupil, so we should also look at that. I think, if my stats are correct, California spends, I think, at the 36 of all the states in terms of spending per pupil, and now we're kind of in the mid in California, or I don't know where we stand in California, but I do think it's important that people understand we're not just spending tons of money here without thinking about it. The other thing with explaining the underlying expenses, I'm glad you're now starting to talk about that a little bit more, but what you've left out is salaries. I think 90% of the expense of the district is a charge, both pension and salaries, and I know that's an uncomfortable topic. I'm sure it was uncomfortable for Erik to sit here and let everyone go through his employee contract, but the reality is that's a huge component of budget and we have to pay our teachers well. If we want to have quality education for our students, we have to pay them. We just have to talk about that with the community. Let's not, you know, skirt the issue, right? We live in the top one-half percent of cost of living, so paying our teachers well to recruit and retain them is going to be important. The other thing that I don't think I've heard, I brought up last time so I'll try to wrap this up a little bit more quickly, is the voice of the student right here. The customers of this education system are our kids. I still haven't heard that yet. But I also don't hear is the return on investment for our community, right? Laurel just got the Blue Ribbon School Award, a national award, right? Our schools are doing great stuff with the money that community has given you to spend. Let's tell them that. All we hear is budget numbers, cuts and revenues. Let's talk about the end product to our students a little bit more. I grew up in this community, I know this community. This is the first time that a parcel tax hasn't passed, at least as far as I know, right? This community values education, but they also value people being good stewards of their money and managing it well. You need to demonstrate to the community that we're managing their investment well, we're getting a good return on the investment, we're providing a good product to the students.

BURMEISTER:

Thanks, Scott. President Child, I just want to let you know that we received one comment on the online tool that just said, "Thanks for having multiple ways for the audience to give input and ask questions."

CHILD

OK, Daniel Johant (*sp?*)

DANIEL JOHANT:

Good evening, my name is Daniel Johant. I'm a resident of Menlo Park. I have a daughter who's in kindergarten at Oak Knoll. I just wanted to comment on two areas. One is the input process, hoping to give some feedback, some thoughts there. The second is just kind of on Measure C and going forward. So first for the input process, the three green blocks we saw on the process, I was really focused on that. Part of my concern is when I looked at the audience, about 30-ish people, I feel like that's statistically not representative of our community and I encourage you to find or push or brainstorm for more ways to connect and engage with the audience. And off the top of my head, I can say email is really powerful. It's old fashioned, you guys have everyone's email. There's other ways to nurture and get folks to voice up their opinions about why Measure C wasn't for them, kind of what I'm hearing now. And just try to think of other ways to encourage insightful thoughts that will help guide you guys in terms of what's best for the community. Hearing people talk about the permanence of the tax, when I voted for Measure C, I saw it's for my kids, I bought a house, they're going to be here for the rest of their

childhood careers, and paying whatever it costs to make sure they get the best education. But that's me, and you have different voices, you have different segments, you have people who have moved on like the other lady who commented about her life and her perspective had changed. You need to talk, and kind of repeating what was said, tell stories that are engaging to that audience, and it's basically segmenting your audience. You have parents who are easily to get excited and crazy and vocal about the kids. You've got other folks who don't have kids, and you need encourage them to understand why is it important to them. Totally different story, totally different audience, and hopefully we can do that. I'm assuming that you guys are trying your hardest and that you're doing the best, and that you want the best for the community, so I'm just hopeful that you guys continue to push and ask more from the community, and push back if you hear silence or apathy because that's not good enough for me, so I'm hoping that either we or collectively can do more for our schools and our kids. Thanks.

BURMEISTER:

President Child, do you mind if I make a comment real quick?

CHILD:

Go ahead.

BURMEISTER:

First all, Daniel, I want to say thank you so much for that input and I want your input, not as a way to sort of say, "Oh we're doing that" in some defensive way. But I think you really set us up right now to sort of share with you what we're doing, so I'm going to take the bait if you don't mind, and let everybody know that we have begun soliciting participation on this process on Next Door. Maybe some of you are here because you saw it on Next Door. We also want to let you know that our Board about three weeks ago approved a community wide survey that will be sent in hard copy to every single registered voter in the Menlo Park City School District attendance area. It's the first time the company that we're working with, which is Panorama, a very well respected surveying company, has ever done something like this, and they're so jazzed and energized, and we hope to have finalized by the end of this week so that we can get it out to you in the next two weeks. In addition, we have been pushing out emails, we will continue to do that, and we have purchased ads in the Almanac and you're going to see our first ad tomorrow, and we also have been working very closely with the Palo Alto Daily, the Palo Alto News...the two newspapers in Palo Alto as well as the Almanac here in Menlo Park, to cover from a journalistic perspective the input process that we have. So if you have any ideas other that what we are doing, we certainly encourage you to give us those ideas. Our team is really open to it and we want to get the word out. We appreciate all 30 people here, but in October we want to see this room packed. So, thank you.

CHILD:

OK...

LILIANA PARAVICH:

Hi, I'm Liliana Paravich, and just really quick, I'm a district parent. I was born and raised in Menlo Park so I've been here forever, and my children are obviously reaping the benefits of our wonderful school district. I so value hearing everyone's opinion tonight because it gives all of us here insight of what really went wrong...I guess is the best way to put it, and see where we really can find that middle ground to kind of make parents, children, residents of Menlo Park, our community work together and grow together and continue to do the best for all of us. To piggy-back on Joe, I wanted to say to the residents here who don't have children in this district anymore, you know, making a comment of like, Hey, adding

four kids to a classroom may not sound like a big deal to you, but I spent numerous hours in classrooms with teachers, as I said, helping them since kindergarten through...my oldest is in sixth grade right now, and we have children who are high achievers and don't need much help, and we have ones that struggle, and it's really difficult for one teacher to deal with 24 kids, and we don't want things to be lost in the cracks, and you add four more to the mix, and we maybe are losing some kids and I think that's really the take-home, just to understand when if the Board is going to look at new parcel and move forward and obviously find something to work with the community and make what's going to be best for everybody, and we do understand our different backgrounds and financial issues, but looking at our children and not losing our children is the main focus. Thank you.

CHILD:

Thank you.

CAROLINE LUCAS:

Good evening, everyone, I'm Caroline Lucas and I just want to say, I met with Erik yesterday and all those things that are happening I do hear about it on Next Door, Erik, in addition to those others. And I just see that's such a huge step in reaching out to us. When I saw it on Next Door, I started sending it to different people, so I really appreciate the opportunity to give input if I can't make a meeting. Just a couple of things I wanted to comment. I want to talk about, somebody's talked about keeping up with the Joneses, and then Erik talked earlier about the different spending per district. This is really close to me. I've worked in Portola Valley, I've worked in Los Altos, my children went through here, and I have to say that in every single place I found myself on the Gold Ribbon interview committee. It's like, boom, I get to the district and we're going for the Gold Ribbon, and then we're for the Gold Ribbon. It's a little bit of a sense of each place that I've been, I've heard within the workings, you know, somebody else is going for that. That is a reality. I'm not saying that it doesn't reflect what we're doing or we're only doing it for that, but I wouldn't want to us to lose sight of like what's really important to our kids regardless of what's going on down the road. I mean, we are different. We're not as rural, the foundations have different goals, and I'm not sure that we need to try to keep up with the Joneses, I'm not sure that we are but to me there's a little bit of a sense of it. And then, I wanted to just...I'm sure it's kind of a question, everybody's sort of wondering where am I on the salaries, I'm a teacher and do I support that? So I just feel like I want to say that I think what's important to think about is there's needing to attract talent, and then there's needing to keep the teachers that we have doing a really good job, and I personally don't know that we need that to attract talent. I'd be really interested to see how many applications come per district, per position, but do we need to pay our teachers well just to keep the teachers that we have coming to work and being able to manage their jobs? To me those are sort of two different things, and I'm just not sure that the talent one flies so much with me as much as that we just have outstanding teachers both my kids went through. And lastly, I'm wondering, because it's related to the salaries, I'm wondering, Erik, when you talk about the enrollment growth, but where do the employees' children fit into that growth, and how much is it, how much are we spending? I'm not saying that I don't support that, but because we keep hearing about enrollment growth and how much we're spending, if we weren't supporting the children (*timer bell rings...*) of our employees, how much would be saving? Just so that we as a community can say, hey this is something we want to keep the teachers we have, or to attract, or we want to do this but not at the expense of class size, or we want to do this but not at the expense of losing our language programs. I think it just needs to come into the conversation so that we know what we're looking at when we're making those decisions. I don't have a sense of how much enrollment growth or even how much we're spending in that area. Thank you.

CHILD:

Thank you. OK, Katie, go ahead.

KATIE SERRICK:

Hello, good evening, I wasn't planning on speaking, and my apologies in advance, I have to dash right after this. As many of you know, I was supportive of both measures, and it's really from the standpoint of public education, it's something I really value and I know that as a state, California makes it really, really challenging to fund the education of all our students across the state, and as Scott mentioned, there are valid comparisons to many other school districts that spend even in excess of some of the districts we were comparing ourselves locally. So just generally I know that it's such a challenge so I'm going to be supportive. And I wanted to also give input that when I initially was learning about these two measures, I was immediately struck by three things that I was concerned about. It didn't mean I didn't help, definitely supportive. However, I knew it was going to be a much heavier lift because of transparency, complexity, and...oh, what was that third thing I had in my head that was so neat? The transparency was a little different than what some of the other speakers have articulated. What I mean is the date on which...it was kind of an off-time election, it was almost, it felt like we should have aligned it with the June primary, because it felt like it was separated for unknown reasons. And then the complexity with having two measures and having to tell two separate stories concurrently, and then having to articulate it concisely. I mean Erik did a fantastic job articulating it, but it took 20 minutes to do so, if not longer, you know, in terms of how funding works and getting that message out, it's really hard. And so to make it harder on ourselves by two separate measures, I thought was something that we...a roadblock we put in front of ourselves. And then the third one is the accountability piece which has been surfaced, which is that sunset date, which is our report card back to the community that says, hey here's the success that your investment in our education has meant, and here's why we need your help again. And so, none of us parent volunteers love running campaigns every x-number of years, but it is our chance to share with the community why we need their support ongoing. So, that's all I've got to say and now I've got to pick up my littlest guy. See you.

CHILD:

Thank you. Go ahead, Kimberly.

KIMBERLY JOHANT:

Hi, my name's Kimberly Johant. I came late because I was at work, so I don't think...my husband told me didn't cover this. So I just have some questions around the sustainability of the budget overall because, and by the way, I am fully supportive of Measures A and C. I also question the timing of them, like why didn't we have them on the ballot in the fall when everybody's going to be coming out and voting because it's a Presidential election and we can do more to get people aware of these things. So I am supportive of there being a parcel tax and think we can do more to get people comfortable with it, aware of it, and voting for it. However, the math to me, I'm just concerned based on what I know that we have a sustainability problem in terms of being able to fund the schools, and so I'd love for you guys to set me straight on this. But a) I understand we have a huge amount into pensions that we have to keep funding, and so that is very expensive; and b) I do think we need to think about how we are going to be able to attract and retain our existing talent, but attract new talent because that talent is going to retire, when the cost of living keeps going up here significantly. I mean, there was an open letter written by...I forget exactly the position, but some city employee in Palo Alto said that he was leaving because he couldn't afford to live there and raise his family. And so, I think we are going to face a big problem if there are teachers who can't afford to live here. And on that note, and I don't know exactly how the

funding works, but I would have expected that our funding from property taxes should have gone up in the last two years because the property values in Menlo Park have like doubled, and so the sale of any properties that have changed hands, the amount of funding that the school is getting has gone up. And so with that of mind, we're actually in less of a bad spot if that's correct in terms of how it works, than we would have been if our property taxes hadn't dramatically increased. And so, just sort of where are we on this sustainability of the budget overall even with Measures A and C passing or not given all these other dynamics that are at play? Sorry, that was a lot.

CHILD:

Thank you. Any other comments, or Erik, I'll turn it back over to you. There seems to be no other comments, so I would turn it back over to you.

BURMEISTER:

Thank you. Well, first of all, our tool seems to be working. I've gotten lots of you sending me fun faces and stuff, and we did get one comment from somebody in the audience that says, "Making the digital survey that we're about to do as seamless as possible with the primary goal of maximizing respondents to engage or commit to future engagement" and that storytelling is a factor to engage folks in doing so. I did want to share that with you. At this time, if there's nobody else in the audience who has public comment, I do want to go ahead and remind you up on the screen is our committee's email address. Every member of the committee receives a copy of what you email to us, and I also want to remind you that there's an online form that will allow you the opportunity to provide lots of input. This screen shot over here to your right is what the left hand bottom corner of our district website looks like, and those first three paragraphs...sorry, the first four paragraphs all have to do with this process, and embedded in, I believe it is...it's hard because it's a little fuzzy, but one of those, I believe it's Share Your Voice, there's a link to a form that will be open until October 31. You can provide your input often, three times a day, once a day, never, whenever you want, whenever the spirit strikes you please feel free to provide your input. In addition, we would ask that you would help be our ambassadors and that you would post things on your Facebook, that you would tweet things, that you would encourage people that are talking about this issue with you, to engage in any one of the ways we process information. The Town Square forum is a good place to anonymously get things off of your chest, but they don't necessarily solve problems, and so my suggestion to you is that if you know people who have lots of concerns and want to share them anonymously on the blog, that they might actually think about coming in and filling out one of these online forms, or come to one of our meetings to learn more, share their opinion in a public setting so that we can engage in a conversation as a community about how we want to move forward. I want to remind you that our committee is unbiased and we have a commitment to provide the Board with an accurate detail of all of the feedback and input that we receive regardless of what that feedback is encouraging, and we really, really want to thank you for your time and your commitment to our district because whatever solution we come up with, it will only be because we come together and create that solution together. So with that, I'll hand it back over to you, Jeff.

CHILD:

OK, great, thank you, Erik. So let me first of all say thank you everyone for coming tonight, we really appreciate it. Secondly, let me remind you that Thursday night, so two nights from now from 7:00-8:30, there will be a candidates' night that will be held in this room, sponsored by the League of Women Voters, and so I encourage everyone to come and hear the candidates talk about their position, and I believe it's going to be questions from the audience will also be part of that, so looking forward to having a good interaction on Thursday night. Probably, hopefully, a little more courteous than what we saw last night. I think that's a pretty low hurdle for candidates seeing as they are here tonight. So again,

thank you very much for tonight. Hopefully we'll see many of you on Thursday night. You've got the calendar for our future meetings on these issues. And with that, I will adjourn. Sorry, I will not adjourn yet.

BURMEISTER:

I just want to clarify for those who might be confused, I think you're referring to the Presidential Debate last night, and not the Board election event that the union held.

(Audience laughter...)

CHILD:

Yes, sorry, I was referring to the Presidential one. Yes, thank you for that clarification. OK, with that, we are adjourned.