



Fiscal and Facilities Advisory Committee Minutes of the Committee - October 17, 2011

Committee members attending: Brett, McFadden, Rick Mullikin, Rich Puente, Francisco Rodriguez, Jack Carroll, Danny Zumaran, Sylvia Mendez, Elaine Legorreta, Michael Jones, Jim Abendschan, Jenny Sarmiento, Rhea DeHart, Sharon Gray, Kevin Jeffery

Members absent: Helen Bellonzi, Murry Schekman, Brian Saxton, Nubia Padilla
Sara Ringler, Bill Beecher

Brett welcomed committee members and introduced two new members, Sylvia Mendez, Principal of Ann Soldo, and Brian Saxton, Principal of Aptos Junior High who was unable to attend due to a previous conflict.

He then updated the district on its fiscal status and explained the fiscal process and timelines.

Annual audit of 10-11

Annual audits of district expenditures are conducted with published reports going to the board in December before the January required deadline. Last year (2010-11) we had no major exceptions with only a couple of minor findings, one of which was the significant employee vacation accrual on the books posing a liability for the district. Auditors encouraged the district to adopt policies encouraging employees to take their vacation in a timely fashion, thereby decreasing district liability.

Unaudited Actuals

At the start of the year the district does a forecast of estimated actuals. After the books are closed at the end of the year (around September) the district completes the Unaudited Actuals. Brett reported that we've had a positive year-end balance two years in a row. This year the board asked for an accounting of that balance. The variance was 5.5%, about \$9.3 million dollars higher than projected.

Reasons for the variance could be the large amount of categorical monies a district like ours receives which come in at different times. Lower legal fees as well as operating costs due to energy conservation could have also contributed to the variance. In addition, unemployment insurance costs increased so the revenue limit was adjusted up.

Fiscal Process

Brett explained the fiscal process. The 1st Interim Report covers the time period from July through December. The 2nd Interim Report covers the time period from July through January. Brett asked that we do a mid-year forecast and has instituted a 3rd Interim Report to be done in May.

The group discussed possible reasons for the variance. Jim Abershand felt the variance was coming from revenue. Jack Carroll said grant amounts are determined per head and Rich Puente added that grant award letters are received for certain dollar amounts that could later be reduced. Brett added that FCMAT or School Services do analysis on these types of variances but he would like to see a subgroup of the committee formed to look at the variance, identify what revenues came in differently than expected, then look at expenses. They could also look at policies that may have influenced the variance. Sub-committee members were identified to be Sharon Gray, Jim Abershand, Jack Carroll and Bill Beecher, and Brett McFadden.

State Fiscal Triggers

The next milestone in the fiscal process is the December Board Meeting to approve the 1st Interim Report. The County Office of Education must certify districts on multi-year projections. We will use the January Governors Budget proposal to frame our actions for the March 15 Board deadline to approve any certificated layoffs. The 2nd Interim Report will be presented in March and the 3rd Interim in May. If the budget is less than expected, the state has “triggers” that it can pull to reduce the budget. Two known possible triggers are a 50% decline in home to school transportation and reducing instructional days to 167. The COE tells us to factor in the triggers if deemed necessary at the 1st Interim which results in \$261 dollars per ADA.

Agreement with CSEA

Brett told the committee he was happy to have reached a tentative agreement with CSEA on the restoration of 5 instructional days per union contract.

Update on Facility Assessment Study

Brett updated the group on the board approved facility assessment and Rick Mullikin said all site inspections have been completed and we should see a draft of the facility master plan next month. Rick said there will be new demographics and we will take a look to the agencies for input on the attendance boundaries after the trustee alignment process. Brett would like to see a digital map created.

Update on Community Survey

Brett explained that we are doing a poll to determine interest in a Prop 39 bond. Loraine Legorreta would like to see language in the bond about existing facilities as well as new facilities. Poll results will go to the board in December. Brett will then offer his recommendation to proceed for a June or November general election.

Update on Health Care consultant RFP

Brett explained that we are self-funded; Keenan provides advice as a consultant. Their contract is up Nov. 1 so we are doing an RFP and had four agencies including Keenan give us proposals. Sharon mentioned that we have had a relationship with Keenan for many years now that she can remember. The Grand Jury had some issues with Keenan so Brett thought it best to do an RFP. Rhea mentioned she was proud of our response to the Grand Jury and felt it is warranted to look at our extensive relationship with them. She feels that consulting and product vendors should be different

Brett concluded the meeting saying he would email the sub-committee with possible dates to meet and the 2011 master plan.