

BEAR VALLEY UNIFIED SCHOOL DISTRICT
MINUTES OF A BOARD WORKSHOP MEETING
HELD ON DECEMBER 5, 2011, SCHOOL DISTRICT OFFICE

Present: Mr. Randall Putz
Mrs. Beverly Grabe
Dr. Al Waner

Absent: Dr. Kenneth Turney
Mr. Paul Zamoyta

Also Present: Mr. Kurt Madden
Mr. Walter Con
Mr. Tim Larson
Mrs. Robin Freed
Mrs. Leoma Smith
Mrs. Bonnie South
Mr. Scott Waner
Mr. Mike Chatham
Mrs. Tina Fulmer
Mrs. Jeanette Haston
Dr. Russ Reynolds

The meeting was called to order by Mr. Putz in the absence of President Zamoyta at 6:30 p.m.

Open Session

All present participated in a Moment of Silence and the Pledge of Allegiance.

Mr. Putz called for a motion to adopt the agenda for this meeting. Motion by Dr. Waner to adopt the agenda for this meeting. Second by Mrs. Grabe. Mr. Putz called for the vote. A vote in favor of the motion was unanimously approved.

Agenda
Adoption
M11-12-153

Mr. Madden introduced Mr. Con and Mrs. Freed who will be providing an overview of the First Interim Report.

Mr. Con reviewed the timing of the State Budget as well as a summary of a presentation by Mr. Kevin Gordon. The Transportation cut is disproportionate. Mr. Con reviewed the purpose of the First Interim Report and the difference in certifications. Mr. Con will be recommending a qualified certification.

Workshop

Mr. Con reviewed the First Interim assumptions which included the Governor's trigger cuts. 1.1 million is the worse case. Mr. Con explained how transportation will be hit if this trigger takes place. Also reviewed was the expenditure reduction placeholder. These are effective July 1st and they have been approved by the Governing Board. An enrollment ADA chart was reviewed as was a chart of the State Budget's impact on Bear Valley's revenue limit. The recommendation will be to cut 1.33 million in expense reductions. The County is concerned about the fund balance. The cuts need to come from existing employees. A meeting of the Budget Advisory Committee is scheduled for December 14, 2011.

Mrs. Freed reviewed delayed principle apportionment funding. Mrs. Freed also reviewed current cash flow for fiscal year 11-12.

A question was raised regarding cutting back on Food Service, however, Food Service is a separate fund and currently, it is running at a small surplus. No general fund money is paying for food.

A question was asked since class sizes are increasing, are we losing any Class Size Reduction funds? They changed the penalties; they actually give us an incentive if we go to 30:1.

The question was asked if we have negotiated furlough days yet.

A comment was made that textbooks funds are not unrestricted. We keep \$75,000.00 to replenish the consumables; the rest has been swept in to the budget.

The question was asked if we have money to repair leaks, etc. Yes, we do. we are still contributing \$100,000.00 per year to the Deferred Maintenance Fund.

The question was asked what happens to the revenue we make through interest. That revenue belongs to the account it was earned on.

We have been deficit spending for five years in a row. How long will we continue to deficit spend or when will we stop it? In any businesses, you would not allow this to happen. At some point, you have to get back to a balanced budget. We have a unique business; we have bargaining units; we have the State; we have to pay our employees. In a business that does not have the stakeholders we have, you would not allow this to happen.

We have to work on this at the bargaining table. We are at a point where people need to decide if they want less money that is some guarantee or a chance of no money at all.

Mr. Con reviewed the District's borrowing capability and how the District would have been short by \$500,000.00 without this capability. The concern is paying employees; we are flirting with the inability to make payroll. The trend is the State is paying less of what they say we will get and they are paying that amount later.

Mr. Con stated if we cut 1.33 million dollars, we probably would be okay with deficit spending in the fourth year.

Appreciation was expressed to Mr. Con and Mrs. Freed for their hard work on this report.

Mr. Putz adjourned the meeting at 8:20 p.m.

Secretary

Clerk of the Board