

BEAR VALLEY UNIFIED SCHOOL DISTRICT
MINUTES OF A BOARD WORKSHOP MEETING HELD
ON DECEMBER 3, 2012, SCHOOL DISTRICT OFFICE

Present: Mrs. Beverly Grabe
Mr. Randall Putz
Dr. Kenneth Turney
Dr. Alfred Waner
Mr. Paul Zamoyta

Absent: None

Also Present: Mr. Kurt Madden
Mr. Walter Con
Mr. Tim Larson
Mrs. Robin Freed
Mr. Scott Hird
Ms. Debbie Burton

President Putz called the meeting to order at 6:31 p.m.

Open Session

President Putz called for a Moment of Silence and all present participated in the Pledge of Allegiance.

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

Adoption of
Agenda
M12-13-145

President Putz opened the Hearing Section for Public Coming at 6:32 p.m. Hearing no request to make Public Comment, President Putz closed the Hearing Section at 6:33 p.m.

Hearing
Section

Mr. Madden introduced Mr. Walter Con and Mrs. Robin Freed and expressed appreciation to all the staff that contributed to the 1st Interim Report. Mr. Con explained why we do interim reports and noted we are receiving a qualified certification. Mr. Con reviewed what Proposition 30 does and does not do for our district. The new taxes are only for four years and we need to keep that in mind for the multi-year. Mr. Con reviewed information regarding the Legislative Analysts' Favorable Forecast. We do not know if we will get any more money from this forecast. Mr. Con reviewed the Political/Fiscal uncertainties in regards to the Governor's Proposed 13/14 State Budget. Mr. Con gave credit to Mrs. Perry for her work in being completely self-funded

Workshop

in the Healthy Start Program. The Student Assistance Program is funded by Soroptimist by a three year agreement that is renewed every year. The Strings are self-funded through donations. Mr. Con reviewed contribution programs and the encroachment of these programs. Mr. Con gave credit to Mr. Planz for managing the Maintenance and Operations Department. Enrollment and an ADA Trend Analysis as of November, 2012 were reviewed. This information will be updated at all financial benchmarks. Projected enrollment is also projected revenue. Discussion took place regarding using the same model but adding numbers to it to make it more realistic. Because of the characteristic of our district (home school and families moving), maybe we look at a different method. Mr. Con reviewed the State Budget impact on Bear Valley's revenue limit (deficit factor). 14 out of 20 years we have been deficated; we are the lowest funded region in the State. Mr. Con reviewed 1st Interim MYP Projections which is what triggers our qualified certification.

We will be recommending to the Governing Board on Wednesday, December 5, 2012 to reduce expenditures by \$700,000.00/three year cumulative. However, this does not reduce our deficit spending. The goal is to have a positive certification by 2nd Interim. Cuts need to be made or a plan to make the cuts in place. A rough assumption of the Siemens Proposal is we would have approximately \$100,000.00 in year two; \$200,000.00 in year three. There may be a savings in the Special Education area as well. By the March 5, 2013 2nd Interim, we need to have a plan in place; dates to negotiate and schedule time to look at concessions and Siemens then meet to look at other areas to cut. Plans for cuts need to be in place prior to March 5th. Mr. Con recommends we plan sooner rather than later. We need to eliminate our deficit spending. In January, after the Governor's Proposal, we will be bringing something forward for Board consideration. Communication is key with internal and external stakeholders. It would improve our total picture if the board took action to change from 4% to 3% fund balance. When things are riskier, you want to have a higher fund balance. We need to look beyond the four years; we need to prepare for the next phase. We have to get our deficit spending under control; at least a balanced budget if not a surplus.

Mrs. Freed reviewed Cash Flow. The information reviewed this evening is not factored in but was presented at the meeting. Mrs. Freed summarized Cash Flow for 12/13 with the TRANS and also reviewed the balance without the TRANS. The TRANS cost approximately \$15,000.00 to \$20,000.00. Even with the TRANS, we are down to one half million dollars in May of 2013. Mrs. Freed explained how the district can have inter-fund borrowing along with a TRANS. We do not get enough cash from the State which means we will need

a Constitutional Advance in July. We have to have enough cash to make payroll and payroll taxes. The district is required to do a cash flow for the current year as well as projected out one year. Any way we can reduce expenses improves cash flow. Mrs. Freed reviewed other restricted funds.

Questions were taken from the public:

Mrs. Craig asked if the cuts in staffing are potential or if they are set in stone. She was referring to the Administration position of \$116,000.00 and \$25,000.00 in Aides. This is put into the budget so she gets the feeling they will happen. Mr. Con stated these two cuts have been approved by the Board. As part of our certification, we pledged we would make those cuts. Had we made them in a more timely manner that would not be showing up in this report. We are committed by a resolution we passed which guaranteed that we would make these cuts. The County looks to us to follow through. The County will not allow us to go to a positive certification if we do not follow through with these cuts. By looking at this report, there are not a lot of other places where we can take these cuts. These are tough decisions but it is much better than if Prop 30 did not pass.

Board questions/comments:

Dr. Waner asked what our per student base revenue limit is. \$5,215.00 is what we get from the State.

Dr. Turney stated he is not sure how they figured the administrative cost as the County states the Superintendent cost is \$278,000.00.

There were no suggestions for future meeting agendas.

President Putz adjourned the meeting at 8:13 p.m.

Secretary

Clerk of the Board