



MEASURE E OVERSIGHT COMMITTEE

January 14, 2019

MINUTES

Committee Members Present: Adam McArthur
Jay Lieberman
Catherine Nelson
John Elginer
Hannah Kukurudz
Jay Esban (via phone)

Also Present: Karen Kimmel, Assistant Superintendent – Business
Kristine Torres, Director of Accounting

The meeting was called to order at 5:32 pm.

State Budget

Ms. Kimmel stated that the district received information from the Governor stating what he would like the budget to look like. It is the first vision and come May, the budget will be revised and then it will be voted on in June. The Governor is offering some relief to the increasing STRS Liability, which could save the district \$500,000. It's unclear since it is one time money if it will be a one-time reprieve or change the investment dynamic. Staff will be attending a conference on Wednesday morning and will receive more information there.

Mr. Lieberman stated that in the past, when one-time funds like this were received, it was sent to the general fund. He wondered if this would be the same for this situation. Ms. Kimmel replied that in the past few years, this one-time money has been earmarked for grants. Speaking of grants, Ms. Kimmel explained that the district has two new grants. A Tobacco Prevention Grant which is cracking down on vaping, has created the positions for Deans of Safety and Wellness. The other is a Teaching Credential Grant. Down the line, this grant will allow the creation of

scholarships to help current para-educators become credentialed and work in special needs classrooms.

Mr. McArthur asked if there are vape detectors at the high school because he knows they have them in the bathrooms at Lindero. Ms. Kimmel replied that the detectors are in the middle and high schools as well.

In regard to the teaching credential grant, Ms. Nelson asked if we faced a shortage of teachers in the district. Ms. Kimmel replied that we do for Special Education.

Parcel Tax

Ms. Kimmel spoke about the Parcel Tax report which is compiled by an outside consulting firm. The report shows various statistics such as the number of parcels, delinquency levels and total funds generated. Mr. Esban commented that the district received a good amount in donations last year and we are hoping for the same result this year. The donation letter will be updated and sent out in the coming weeks.

Mr. Elginer asked about the representation of parcels vs. parcel tax delinquents. The wording is confusing and Ms. Kimmel said she would speak to the consulting firm to clarify in future reports. Mr. Lieberman stated it should read parcels delinquent vs. parcel tax delinquents. The reports are sent to the committee and Board and are also posted online.

Going back to the matter of donations, Ms. Nelson asked if people donated the requested \$98 amount and Ms. Kimmel confirmed that the majority of people did. Based on that information, the committee is confident they would receive about the same amount this year.

District Budget

Ms. Torres shared the district budget update in December to the Board. Ms. Torres stated that there were no significant changes to the overall budget. The district started the year with a projected deficit spend of 4.4M. At this point, adjustments primarily due to the grant revenue and expenditures, added an additional \$31K of expenditures while still maintaining a projected deficit of 4.4M.

Mr. McArthur asked why the budget efficiencies for 20-21 are so much higher. Ms. Torres explained that the costs such as STRS and PERS are growing so bigger efficiencies are needed to offset. Mr. Elginer asked if the aforementioned \$500K from Governor Newsom's budget is included in this report. Ms. Torres stated that it wasn't yet, as this report was from December.

Ms. Torres also spoke about the overwhelming support of Measure E, the district's continuing to fund COLA and the one time funds of 2M. Ms. Torres also shared a graph of pension costs

showing what they were and what they will be increasing to. She also shared the multi-year results with projections. The district is trying to maintain the 3% so budget efficiencies continue to be needed. Mr. Esban asked what the budget efficiencies are. Ms. Kimmel explained that historically, budget efficiencies are reductions in personnel. The Governor has acknowledged the issue and she is hopeful. Mr. Elginer asked if this affects all schools across California. Ms. Kimmel says that it does and that the district strives to be as efficient as possible, i.e., appropriate class sizes. Ms. Torres continued explaining the slides and spoke about deficit management.

Measure E Budget

Ms. Torres showed the Measure E budget as of November 30. Mr. Lieberman asked when the donation letter will go out. Ms. Kimmel stated it will go out in February. Ms. Kukurudz asked why the athletic funding cost shows nothing for 17-18. Ms. Torres stated that the committee direction was to make funding more equitable between elementary, middle and high schools. The athletic utility costs are now being paid from the general fund.

Mr. Lieberman asked how long it takes for the money to get to the district once it is collected by the county. Ms. Kimmel replied that they receive the money fairly quickly. Ms. Torres continued sharing the actuals to date and how much is remaining from the budget. She also shared monthly reports run from the general ledger. Mr. Lieberman asked if anyone wanted to change any of the expenditure classifications. He then made a motion to accept the Measure E Parcel Tax report dated November 30, 2018. Ms. Kukurudz seconded the motion. All were in favor and Mr. Lieberman declared the motion passed.

The next committee meeting is scheduled for May 13, 2019, at 5:30 pm at the District Office.

The meeting adjourned at 6:32 pm.