

**Riverside Unified School District
Business and Governmental Relations Division**

Board Finance Subcommittee Meeting

Superintendent's Office

September 6, 2011

8:00 a.m.

CALL TO ORDER – Dr. Beaty called the meeting to order at 8:05 a.m.

PRESENT: Dr. Charles Beaty (Chair), Dr. Rick Miller, Mr. Mike Fine, Ms. Sandie Meekins, and Mrs. Joyce Threadgold (recorder)

ABSENT: Mr. Tom Hunt

INFORMATION

1. Approval of the Board Finance Subcommittee Meeting Minutes

The August 11, 2011 minutes were approved as submitted.

2. Debt Management Policy #3470

Mr. Fine stated that the Debt Management Policy will appear on the September 6 Board Meeting agenda for Second Reading and Adoption. He explained that there are no changes from the First Reading, only adaptation to the new policy format.

3. General Obligation Refunding Bonds, Series 2011

Mr. Fine provided information to the Subcommittee regarding the consideration of refunding the Measure B's Series 2002 General Obligation Bonds. Mr. Fine explained that there are approximately \$48 million in Series A bonds outstanding with varying maturities over the next 16 years. He continued to say that the refunding bonds maintain the same overall maturities. Although the total Measure B issuance includes Series A, B and C bonds, only Series A are eligible for refunding at this time due to the call provisions on the bonds. Mr. Fine reminded the Subcommittee that Board Policy #3470 provides that staff should review opportunities for refunding when the savings to be achieved is at least 6%, but may accept bids for refunding with savings of at least 4%. He added that based on the most current market conditions, savings are estimated in the mid-5% range. Mr. Fine state that there are no General Fund implications and no new facility improvement projects are funded. This is a refunding of existing bonds. The bond refunding is expected to save approximately \$1.16 per-\$100,000 of assessed valuation for our taxpayers.

4. 2010-11 Unaudited Actual Financial Reports

Mr. Fine explained that staff has completed the year-end closing process for last fiscal year that ended in June. The unaudited actuals are required by the state. Mr. Fine stated that the next step in the financial cycle is the audit and production of the annual financial report which is the unaudited actual data after audit review. He further stated that the unaudited actuals highlight the District's financial performance during the past year. Mr. Fine went over the first 3 slides of the presentation that will be given at the September 6th Board Meeting, which includes the General Fund results and clearly lays out the District's multiyear financial plan as we continue to manage with reduced funding.

The financial plan that Mr. Fine presented last fall recognized many one-time resources that would be ending; Federal stimulus; Education Jobs Bill, etc., and that the District would be depended on its own savings account to bridge to more positive times. Mr. Fine stated that the financial data that he will be presenting reflects this plan with a \$54 million net ending fund balance. Twenty-six million of this fund balance is used in the current year (2011-12) to cover deficits and another \$23 million is needed for next fiscal year (2012-13) to cover the deficit in that year. He said in essence, the District's savings and one-time resources will be expended by June 2013, leaving us with the need to make deeper cuts for 2013-14 depending on where state funding rests.

PUBLIC RELATIONS

1. Unscheduled Communications

There were no unscheduled communications.

ADJOURNMENT

The meeting was adjourned at 8:40 a.m.