

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

**Board Finance Subcommittee Meeting**

Superintendent's Office

August 11, 2011

2:00 p.m.

CALL TO ORDER – Dr. Beaty called the meeting to order at 2:00 p.m.

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

**INFORMATION**

**1. Approval of the Board Finance Subcommittee Meeting Minutes**

Dr. Beaty moved and Mr. Hunt seconded the approval of March, June 7 and July 7, 2011 Meeting Minutes.

**2. 2011/2012 Budget Update**

Mr. Fine gave a short report on the status of the district's budget for 2011-12. He indicated that there are no major changes in the district's budget at this time and no need for the Board to consider a 45-day revision to the budget. When the Board adopted the 2011-12 budget on June 20, they did so using a revenue limit of \$5,215.46 per ADA which was 91 cents higher than the revenue limit for 2010-11 of \$5,214.55 per ADA. Mr. Fine stated that this meets the conditions set in the controversial budget trailer bill (AB 114) which requires school districts to plan on level funding year-over-year in the revenue limit per ADA. He also shared continued concerns that the 2011-12 state budget relies on higher tax revenues that will be difficult to achieve given the lagging economy. In fact, as widely reported in the media last week, the State Controller announced that July's tax revenues are lower than anticipated by over \$500 million. He continued that the state budget imposes an automatic mid-year cut for school districts of up to \$2 billion if state revenues are not aligned with expectations in early December. It is not a good sign that state revenues are off by more than 10% in the first month of the fiscal year.

**3. Status of Refunding of Election of 2001, Series A General Obligation Bonds**

Mr. Fine reported to the Committee that the Measure B, Series A Bond Refunding Team continues their work on document preparation. He distributed the current schedule which leads to the first opportunity for bond sales on September 14. He explained that we are structuring the refunding to allow for multiple successive week bond sales so that we are not locked in to one sale date and can adjust more easily for market conditions.

**4. Debt Management Policy #3470 and Rules and Regulations #3470**

The Finance Committee reviewed a draft of a new policy and rule & regulation on Debt Management. Policy #3470 will be on the August 15<sup>th</sup> Board Meeting agenda for the Board's consideration as a first reading. The Committee recommended that the proposed policy and rule & regulation be combined in to a single policy document without a current need for an accompanying rule & regulation. Mr. Fine explained that the proposed policy reflects the district's practice regarding debt management; documenting, not changing our practice. Although the creation of this debt policy is unrelated to the recent debate about the United States' debt limit, the subject of prudent management of public debt is certainly timely. He went on to say that the proposed policy makes a number of public policy statements that are intended to protect the district's taxpayer community. Paragraph 1.5.1 through 1.5.10 sets forth the debt management goals. Specifically, 1.5.4 focuses on conservative forecasts for assessed valuation, and 1.5.8 that calls for the district to be mindful of the total tax burden on property owners (not just the tax burden created by the district). Protections also include 1.1.3(c) that limits debt for operations.

**PUBLIC RELATIONS**

**1. Unscheduled Communications**

There were no unscheduled communications.

**ADJOURNMENT**

The meeting was adjourned at 3:00 p.m.