Budget Advisory Committee
01/28/2021 - 03:15 PM
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MEETING MINUTES

We welcome you to this meeting of the LGSUHSD Budget Advisory Committee (BAC) meeting. The public may make comments relevant to agenda items at the time so designated on the agenda. Public comment will not be heard outside of the designated time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the BAC. Speakers are asked to limit remarks to three minutes (with a maximum of twenty minutes for one topic). Any individual requiring disability-related accommodations or modifications including auxiliary aids and services in order to participate in the BAC meeting should contact the Superintendent's office in writing.

You may provide public comment by using the Raise your Hand feature, once you have logged in and registered using the posted Zoom link. The host will be notified that you have done so. Once you are recognized by the host, you may be asked to unmute your speaker. You will have a maximum of three minutes to speak.

Upon request by a student's parent/guardian, or by the student if age 18 or older, the minutes shall not include the student's or parent/guardian's address, telephone number, date of birth, or email address, or the student's name or other directory information as defined in Education Code 49061. The request to exclude such information shall be made in writing to the Secretary or Clerk of the Board. (Education Code 49073.2)

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Attendance

Voting Members
Erol Ceran, BAC
Katie Chen, BAC
Charles Endweiss - **Absent**
Kathy Granger, CBOC
Anh Kwa
Prisha Patel
Denise Ramon Herrera
Daniel Snyder, BAC Member - **Absent**
Fan Steinke - **Absent**
Dave Wilde
Robert Wise, BAC

I. Call to Order

Dave Wilde called the meeting to order at 3:20 PM

A. Roll Call/Establishment of a Quorum

Roll was taken and a quorum established.

Voting members present:
Erol Ceran, Katie Chen, Kathy Granger, Anh Kwa, Dan Snyder, Prisha Patel, Denise Ramon Herrera, Dave Wilde, Robert Wise
Voting members absent: Fan Steinke, Charles Endweiss

Non-voting members present:
Michael Grove, Cynthia Chang, Peter Hertan, Greg Louie, Delores Perley, Lee Fagot (Sub-committee member)
Non-voting members absent:
Carrie Bosco

II. Approval of the Agenda

The agenda was submitted for approval after a request by Dave to move Item 8, the Subcommittee report, above Item 6.

Motion made by: Denise Ramon Herrera

Motion seconded by: Kathy Granger

> ***Voting results:*** Unanimously Approved

III. Public Comment - Items Not on the Agenda

Darrell Miller commented that historically budget presentation materials have been posted in advance of the meetings. He suggested making this a standard practice going forward.

Note: today's budget report was an informal presentation and did not have accompanying

documents.

IV. ACTION: Approval of the Minutes

The Zoom chat feature was used to record the votes.

Motion made by: Anh Kwa
Motion seconded by: Robert Wise

> ***Voting results:*** Unanimously Approved

V. Report/Discussion: Subcommittee Report

The sub-committee interim update on 'Task 1" was presented by Lee.
The BAC had a dynamic discussion with many points-of-view expressed during the discussion as Lee and the sub-committee made their presentation. Some of the comments made are captured here:

1. On the slide that shows the board policy for minimal reserves, the LGSUHSD number of 4% is the board policy minimum (not the ideal target). It was suggested the presentation slide show Board Guidance (ours is 10%) rather than Board Agreement. It was clarified that the board does not have a formal policy to target 10%, only a guideline at this time. This 10% is intended to cover the collection of reserve funds.
2. It was pointed out by Peter that we should not refer to higher reserve targets as better, since that is a value judgment.
3. There was a question as to whether the board had adopted the School Services report – it was later clarified in this BAC meeting that the report was accepted although the report was not adopted as policy.
4. It was pointed out that the Saratoga Union School District number actual should be 17% per Dan Snyder, and that the sub-committee will confirm. The sub-committee will also adjust the 5% line on the summary bar chart to 4% which is what was intended, and they will update the date to show school year 19-20 rather than 2019)
5. Peter asked what the logic is behind the 16% by 2023-2024 target, and how to get there (cut expenses, raise revenue, both, etc). It was pointed out that the question about "how to achieve the suggested target" is not part of the District ask to the BAC.
6. In response to questions about what led to the 16% target, that it was a combination of factors – what the School Services report suggested, what other districts are doing, that 2 months is a somewhat standard contingency for unforeseen circumstances, to protect year-over-year consistency of programs for future students, etc.
7. It was reiterated that several different reports suggest reserves of 2 months, 17%, etc. Cynthia pointed out that the School Services report recommends reserves of two months of operational expenses, or roughly 15%. Erol suggested than windfalls be mandated to largely go to reserves
8. Robert mentioned that reserves of a minimum of 2 months operation expenses

in a bank account in private sector is required. Erol suggested that we have an obligation not only to current students but to future students as well, and that we want to offer consistent programs through thick and thin.

9. Peter points out that he feels that we have a more stable revenue base than some private sector companies.
10. We briefly discussed the impacts that Covid and development may have on enrollment – Mike mentioned that the district is looking at doing another enrollment study in the coming months

We agreed that the sub-committee will incorporate the discussion in their slides for review at the next BAC meeting, and they will start to work on Task 2. Other BAC members are welcome to join the sub-committee.
Many BAC members voiced support and appreciation for all the work that the sub-committee has done to date, and that they continue to work on!

VI. Public Comment - Agendized Items

Darrell Miller pointed out that there was a past fair share takeback ; he also pointed out there was only one year when reserves went up 3% (is it realistic). He also mentioned that if reserves are set too low, districts may face criticism for not preparing and if they hold back too much they may face criticism for being too conservative

VII. Welcome New BAC member

Our new board member was not able to attend this meeting, so this welcome will be deferred to the next meeting.

VIII. Report/Discussion: Budget Update

Delores indicated that the economy has rebounded faster than expected - Covid was expected to be a drag on the budget but rather the state revenue picture improved. There is potential for some restoration of funding. Upcoming changes (reopening, etc.) in the state budget could impact our district; stimulus also sometimes comes in late in the year, one-time events, etc. making it difficult to plan for state-level impacts to the budget. There was a short discussion regarding pension contributions and how these liabilities are reflected in the budget and on audit reports (OPEB, CalSTRS/PERS, etc.).

IX. Report/Discussion: Term Limits Update

We postponed this discussion to a future date due to lack of time to discuss at this BAC meeting.

X. Report/Discussion: Plan for next meeting dates

It was agreed to determine the next BAC meeting date via Doodle poll in late February/early March.

There will be a board meeting on March 30 and that would be a good time to present BAC recommendations.

XI. Public Comment - Agendized Items

No public comment

XII. Adjournment

Dave Wilde, Chairman, adjourned the meeting at 5:20 PM