Budget Advisory Committee
09/15/2025 - 03:30 PM
District Office, 17421 Farley Road West, Los Gatos, CA 95030
Farley Room
Please use the following link to join virtually (in-person required for Committee Members:
https://lgsuhsd.zoom.us/j/99370377011

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 designated on the agenda. Public comment will not be heard outside 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).

Assistance Information
Any individual requiring disability-related accommodations or modifications, including auxiliary aids and services, in order to participate in the BAC meeting should contact the Business Services office in writing. Please provide sufficient advance notice to allow the Committee time to arrange for your accommodation.

Please use the following link to join virtually (**in-person required for Committee Members**):
https://lgsuhsd.zoom.us/j/99370377011

Attendance

Voting Members
Mathew Day, BAC Voting Member Classified Staff
Kathy Granger, BAC Voting Member
Daniel Snyder, CBOC, BAC Voting Member
Fan Steinke, BAC Voting Member - **Absent**
Peter Hertan, BAC Voting Member
Julian Juan, BAC Voting Member-Student Representative 2025
Arnav Mana, BAC Voting Member-Student Representative 2025
Wendy Riggs, BAC Voting Member
Jennifer Young, BAC Voting Member Certificated

Non-Voting Members
Pola Michelle Alas, Administrative Assistant, Business Services
Greg Louie, BAC Non Voting Member
Heath Rocha, Superintendent
Patrick Bernhardt, Executive Director, Business Services Non Voting Member
David Poetzinger
Katherine Tseng, Board Vice President

I. OPENING BUSINESS

A. Call to Order/Establish Quorum

The meeting was called to order at 3:31 p.m and a quorum established.

B. Welcome and Introductions

Members of the Budget Advisory Committee took turns introducing themselves and providing brief background information.

C. Adopt Agenda

The agenda was approved as written.

Motion made by: Peter Hertan
Motion seconded by: Wendy Riggs

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

D. Public Comment - Items Not on the Agenda

There were no public comments.

II. ACTION ITEMS

A. Approval of the Minutes

The minutes of May 28, 2025, were approved as submitted.

Motion made by: Peter Hertan
Motion seconded by: Jennifer Young

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

B. Selection of BAC Chairperson

Daniel Snyder nominated Wendy Riggs as BAC Chairperson.

Motion made by: Daniel Snyder

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

C. Selection of BAC Vice Chairperson

Wendy Riggs nominated Daniel Snyder for the position of Vice Chairperson.

Motion made by: Wendy Riggs

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

III. REPORT/DISCUSSION ITEMS

A. 2024/25 Unaudited Actuals Update

Presentation of the 2024-25 Unaudited Actuals

Patrick Bernhardt, Executive Director of Business Services, presented the 2024-25 Unaudited Actuals, which will be submitted to the Board at its meeting on September 18, 2025. He noted that the report format has been updated and that the BAC meeting schedule will be aligned with Board financial reporting dates. The Superintendent, Board representatives, and Mr. Bernhardt encouraged Committee members to ask questions and provide feedback to ensure clear communication with the Board and the community.

Budget Cycle and Reporting Timeline

Mr. Bernhardt reviewed the budget cycle and explained that the Unaudited Actuals represent the District's closing financial report for the 2024-25 fiscal year. Once approved by the Board, the report will be filed with the County Office of Education (COE) and then forwarded to the State. The District will also submit it to its external auditors, who will present the audit report to the Board, ideally in December. However, recent audits have been delayed due to staffing shortages in the auditing and financial services sectors.

Mr. Bernhardt noted that the 2025-26 fiscal year (July 1, 2025 – June 30, 2026) is underway. The first reporting period closes October 31, 2025, and the First Interim Report will be presented to the Board in December. He noted that the Board typically considers two fiscal years simultaneously.

Comparison to June Estimates

Mr. Bernhardt reviewed actual revenues and expenditures compared to the June estimates, noting that results closely aligned with projections.

Facilities Master Plan (FMP) and Deferred Maintenance Plan (DMP)

The Facilities Master Plan and Deferred Maintenance Plan will be working in parallel.

The Committee received an update on the work of FMP Connected, the District's deferred maintenance consultants. The team is approximately two-thirds through its assessment of Los Gatos High School and is moving into the Science Building.

- The Deferred Maintenance Plan focuses on infrastructure replacement needs.
- The Facilities Master Plan will address both replacement and facility enhancements.

FMP Connected is evaluating every space in the District across categories such as flooring, paving, parking, plumbing, HVAC, and walls, assigning condition ratings and identifying replacement schedules and costs for each. After completing LGHS, the team will assess Saratoga High School. Final reports for both FMP and DMP are expected in the spring.

ABA Studios, the District's FMP consultant, will support stakeholder engagement and the identification of long-term facility needs.

Revenue, RDA Pass-Through, and Interfund Transfers

Mr. Bernhardt indicated that throughout the last five months, as he has been discussing the budget in the last few forums, he has discussed the RDA pass-through revenue, which is restricted to facility purposes. He explained the longstanding practice of transferring

approximately $3 million from the General Fund to other funds throughout the year. While this structure was initially tied to cash-flow needs, the District now has sufficient fund balance in Fund 40 to support interfund borrowing as needed.

Mr. Bernhardt asked the Committee to consider whether changing instructions to the County Treasurer, thereby recognizing RDA pass-through revenue directly in Fund 40 rather than the General Fund, might create any unintended consequences. Although overall fund balances would remain unchanged, General Fund revenue would appear reduced.

- Committee comments included:
- Staff may question any movement of revenue out of the General Fund. However, the original reason for the transfer is no longer valid due to changes in law and improved District cash-flow capacity.
- The earliest opportunity to propose a budget amendment would be at the December Board meeting. Mr. Bernhardt plans to present the same question to the Board and, if there is consensus and no identified concerns, incorporate the change in the next budget cycle.
- County Office of Education (COE) guidance indicates that the District may implement the change via email, but should confirm Board alignment first.
- It may be preferable to wait until the next budget cycle, particularly because the current budget does not yet reflect the 5% salary increase and will be significantly updated at First Interim.
- With clear communication and preparation, the change would be beneficial.

Enrollment and Funding
In response to a question, Mr. Bernhardt reported an enrollment decline of approximately 130 students, bringing total enrollment to about 3,000. He explained that property tax revenue, the District's primary funding source, is not tied to enrollment. State and federal revenues are enrollment-based and account for about 7% of total revenue (1% federal, 6% state), though not all of that 7% will be affected by enrollment declines.

Student Representative Participation and Meeting Time Adjustment
Student representatives joined the meeting after their 7th period. The Committee agreed to adjust the meeting start time to 4:15 PM on orange (odd) days to accommodate their schedules.

Student Discussion: Nutrition Services Program
Chairperson Wendy Riggs invited student representatives to share any questions or feedback regarding the budget presentation. A discussion followed regarding the cafeteria program and the larger-than-anticipated deficit, partly due to the write-off of longstanding student meal debt and higher program costs.

Students commented that:

- Last year's lunch offerings were preferred over this year's.
- Pizza currently has too much dough and too few toppings.
- Vegetarian options appear strong.
- Portion sizes feel smaller.

Staff explained that portion sizes are determined by state and federal reimbursement guidelines. Exceeding or falling below required portion sizes can jeopardize funding, and auditors review compliance. Staff noted the need for improved communication about program constraints.

Meeting Schedule
The Committee set meeting dates for the remainder of the school year and agreed to adjust the start time to 4:15 PM on odd days when student representatives have a 7th period.

2025–26 BAC Meeting Schedule

- **December 8** – 3:30 PM
- **March 2** – 4:15 PM
- **May 26** – 4:15 PM

Mrs. Alas will send calendar invitations for the remaining meetings.

B. Public Comment - Report/Discussion Items

IV. ADJOURNMENT

The meeting was adjourned at 5:06 PM.