Budget Advisory Committee
Minutes from the meeting on March 12, 2019
3:15 – 5:15 PM

Members present: Shirley Cantu, Erol Ceran, Cynthia Chang, Lee Fagot, Kristi Grasty, Michael Grove, Denise Ramon Herrera, Peter Hertan (alternate for Rosemary Rossi), Anh Kwa, Chris Miller, Rosemarie Pottage, and Dave Wilde

Members absent: Carrie Bosco, Armandeep Dhindsa, Ron Jones, Paul Robinson, Tony Palma, Julia Peck, Amy Obenour

Record Keeper: Claire Linstrom

Members of the public observing: Darrel Miller, Katherine Tseng

Dave Wilde, Chairman, called the meeting to order at 3:15 PM

Attendance taken at 3:20 PM

ACTION: Approval of Agenda

Motion: By Shirley Cantu, seconded by Cynthia Chang

Motion Passed: 11-0

PUBLIC COMMENT: No public comment at this time

ACTION: Approval of Minutes

Motion: By Cynthia Chang, seconded by Shirley Cantu

Motion Passed: 11-0

REPORT: OPEB AND PERS Prefunding Options

Rosemarie Pottage reported on a Prefunding Workshop held on February 21st.

PERS presented information on irrevocable trusts for other post-employment benefits (OPEB) and prefunding PERS retirement. Members of the public have inquired from time to time whether we can reduce PERS costs through prepayment or prefunding. The workshop clarified that this is not a viable option for school districts. An OPEB trust is an option, which would mean permanently restricting monies the district currently has set aside for OPEB. Currently these funds could be used for emergencies, but are not counted as reserves. Also, because the funds are not in a trust, they are not recorded in a way that reduces our OPEB liability. Options are:

1. Put in reserves, eliminating the set-aside for OPEB
2. Establish a trust with no access for other uses in an emergency
3. Leave as is

Further discussion may follow at a future date.

DISCUSSION: Updates from teams working on BAC bylaws (Rosemarie Pottage, Chris Miller and Denise Ramon Herrera) and membership (Paul Robinson, Ron Jones, Cynthia Chang, Lee Fagot and Rosemarie Pottage). Discuss
timeline and plans to submit new BAC structure and bylaws to Board for approval, and proposed timing and process to evolve membership (assuming structure and bylaws approved by Board).

The Bylaws subcommittee continues work on an updated report to be presented for approval by BAC members at the April 16th BAC meeting. It’s proposed that a finalized report will then be brought to the Board for their review with the hope of implementing changes by the beginning of the next school year. The committee discussed the need to move quickly to determine the membership for the 2019-20 BAC so they can start in the fall with the full updated membership and approved bylaws in place, and with a clear focus.

The question of what is considered a quorum for the current meetings was brought up – it was concluded that 50% plus one of voting members constitutes a quorum at this time. Current voting members are members of the committee, whether attending or not, until the bylaws are board adopted. Also, there was discussion about a secretary/parliamentarian position.

Terms of membership, the application process for new members, and member dismissal were also discussed. Consensus was reached that BAC makes recommendations and the Board takes action on such items (this should be clarified in the current bylaws update being developed). It was suggested that a notice be posted in the local newspaper for recruitment, increasing community outreach. Principals will recommend student representatives to the committee. The length of a transition period will need to be determined.

**DISCUSSION:** Subcommittee working on a district reserve analysis/reserve model/stress test provide timeline/roadmap for next update(s). Members are Rosemarie Pottage, Rosemary Rossi, Erol Ceran, Shirley Cantu, Lee Fagot, and Ron Jones (and Superintendent Grove as time permits).

The subcommittee met last week. In researching what the district did during previous downturns, Rosemarie was able to locate records from 2002-2003, but not from more recent years. Past Board minutes will be reviewed to find information that is more current. In discussing what to do next time there’s an economic downturn, possible steps include: furlough day(s); increasing class size by one student; reduce classified staff; reduce school site allocations; reduce contract work. The objective for the May 14th BAC meeting is to come up with a valid reserve number.

**DISCUSSION:** Update from the subcommittee working on Community Education regarding the District budget. Update includes latest ideas/proposal/progress, and proposed roadmap/timing for deliverables and next steps through May/June. Members of this committee are Chris Miller, Denise Ramon Herrera and Cynthia Chang (and Superintendent Grove as time permits)

Chris Miller, Chairman, reported that subcommittee has not met since last BAC meeting, and is scheduled to meet next Wednesday, March 20th. An updated report will be provided at the April 16th meeting with the goal of presenting a solid plan by the end of the school year.

There was discussion regarding the timing of proactive communication with the public particularly due to the possibility or likelihood there will be a bond or parcel tax increase or renewal request in the near future. Regardless of that possibility, the community deserves and expects to be kept apprised. Since it takes a long time to prepare a clear, effective and accurate report, the work should begin soon, especially if the committee hopes to get something sent out before the summer or in the early fall.

There was a suggestion to check with other CSBA members to see how they communicate with their stakeholders, as well as with other organizations.

**DISCUSSION:** Confirm calendar for upcoming BAC meetings (April 16, May 14), discuss BAC goals/schedule/roadmap for remaining school year meetings, and develop draft agenda for next meeting
April 16th is the next BAC meeting date; remaining meeting date for this school year is May 14th; discussion of potential additional meeting will be held at the April meeting.

**ACTION:** Adjourn meeting

**ADJOURNMENT:** Meeting was adjourned at 4:50 PM

Motion: By Lee Fagot, seconded by Cynthia Chang

Motion Passed: 11-0

Respectfully submitted, Claire Linstrom (Record Keeper):

Approved and ordered into proceedings of the District on 4/16/19

Dave Wilde (Chairperson):