

SPECIAL MEETING MINUTES
BUDGET/FINANCE COMMITTEE
Monday, June 4, 2012
8:30 AM – 2:30 PM
Aldersgate Retreat Center
925 Haverford Ave.
Pacific Palisades, CA 90272

I. In Attendance:

Voting Members: Robert King, Olivia Castro, Nancy Simon, Mystic Thompson, Cheryl Onoye, Mary Bush, David Shabbouei, Flor Contreras, Karyn Newbill, Ellen Pfahler, Rick Steil, Dick Held

Non-Voting Members: Greg Wood, Pamela Magee, Nikki Washington, Kevin Olson, Stephanie Inyama

Guests: Hailey Biscow, Tim Henderson, Andrea King, Susan Frank

II. Old Business:

A. Budget Overview/History

1. We're using the hope for the best/plan for the worst model. Just a reminder.

B. May Revised "Budget": CCSA projects ADA w/out initiatives at \$5,650; SSC projects ADA w/out initiatives at \$5,747. To be conservative, G. Wood recommends using the \$5,650 number to follow our "plan for the worst" scenario. We discussed having a late November/early December (as early as possible) meeting to adopt a revised budget for second semester.

III. New Business:

A. Budgeting Goals:

1. Balanced Budget (pool loan requires that we show/pass a balanced budget)
2. Consider Salary and Benefit Levels (including keep number of auxiliary cuts low (class size impact) (parents, kids, teachers)

B. Overall Budget Review

1. Budget uses an estimated ADA level of \$5,650 ADA with a projected 2802 students next year (including a 40 increase w/distance learning, independent study, enrollment, and improved in-seat).
2. Motion (Robert King) for the Budget/Finance Committee to recommend the attached overall budget with a \$22,203 addition to the General Fund at the end of 2012-13. Seconded by Karyn Newbill.
3. Motion (Robert King) to a) transfer 2011-2012 unaudited actuals surplus to Lifetime Health Benefits designated reserves in 2012-2013 and b) adjust 2012-2013 Lifetime Health Benefits contribution to allow the

General Fund access to the equivalent of that surplus, particularly to IMA and textbooks at the fall Revised Budget Meeting. Seconded by Karyn Newbill.

Motion carries.

4. Balance Sheet vs. Cash Flow: Audited Financials show unrestricted net reserves \$2.7 million for lifetime benefits; ~\$2.5 million unrestricted excluding lifetime benefits (liquid reserves – includes cash, accounts receivable, other current assets less current liabilities - on balance sheets); deferred funding to be received over July, August, September. \$5 -6 million in deferrals (puts our cash at a premium, makes us conscience of cash flow). Current cash balance 4.5 million (includes the \$2.7 lifetime benefits). Payroll is *approximately* \$1.2 million a month.

C. Update on this Year's Process

1. keep track of "motions" we plan, but don't vote on them until we see the end

D. Capital and Technology

1. Motion (Mystic Thompson)to approve the capital budget at \$260,000 for technology, \$10,000 for school-wide furniture, \$25,000 for school-wide building improvements. Seconded by Ellen Pfahler.

Motion carries unanimously.

E. Textbooks

1. Motion (Dick Held) to approve textbook budget at \$53,614 for worst case, with \$42,357 for Econ books to be automatically approved if the initiatives pass in November. Seconded by Mary Bush.

Motion carries.

F. PD (Conferences)/Field Trips

1. Motion (Karyn Newbill) to fund PD (Conferences) at \$11,717 (matching anticipated federal funding) and then reassess in November if more funds become available. Seconded by Flor Contreras.

Motion carries.

G. IMA

1. Motion (Olivia Castro) to approve IMA Budget of \$110,000 to be allocated by Administration in conjunction with department chairs and program coordinators; IMA will be one of the key items to revisit at the November Revised Budget meeting. Seconded by Mary Bush.

Motion carries 6-4.

H. Consulting

1. Motion (Dick Held) to a) request that Dr. Magee verify the need and reach of services offered by consultant Elizabeth Lesan, and b) cut UCLA Center X AP Readiness for a savings of \$4,250 for a total of \$642,459 under Professional Consulting Services. Seconded by Olivia Castro.
2. Motion (Olivia Castro) to approve LAUSD Consulting line item at \$1,145,886. Seconded by Nancy Simon.

Motion carries.

I. Other Operating Expenses

1. Motion (Robert King) to approve copy paper budget at \$18,002; this decrease in funding must come with a call for staff education about copy usage, a stronger copy policy, and strict management of that policy. Seconded by Cheryl Onoye.
Motion carries.

2. Motion (Karyn Newbill) to approve \$165,243 in "Communications other" Seconded by Nancy Simon.
Motion carries.

3. The extra pool costs under "Communications – other" mostly lead to savings in utilities, ultimately see the \$70,000 permit surplus to be added to general fund.

J. Salaries and Benefits

1. Motion (Robert King) to approve the following Administrative Proposals to Salary Savings for a total compensation cost (Salaries & Benefits) of \$17,487,890 pending successful negotiations. Seconded by Mary Bush.
Motion carries.
- AVID program suspension \$85, 464 (\$44,462 certificated; \$41,002 classified)
 - Parent Liaison position absorbed \$41,000 (classified)
 - LAUSD custodial overtime cut for \$35,000 savings (classified)
 - ACADEC program suspension (\$22,079 certificated)
 - Teacher Retirement – not replacing to save \$85,730
 - EL Assistant reduction/reassigning to save a net \$9,000 (classified salaries)
 - Reduction of 8 auxiliary periods (\$75,150)
 - Replace 11 auxiliary periods w/2 L-T subs and aux shifts (to less expensive teachers) \$19,000.
 - Executive Director Aide savings \$8,600 (classified)
 - Part-time teacher not retained \$24,525 (certificated)
 - Retired classified position absorbed \$27,000 (classified)
 - Add distance learning cost to generate up to 40 ADA in revenue \$55,600
 - 5 furlough days administration \$19,748 (\$13,191 certificated; \$6,557 classified)
 - 5 furlough days certificated – pending negotiations (\$186,809)
 - fund health benefits with an average 6.1902% increase of \$124,965

K. Transportation –

1. Please reflect all transportation costs (including salary

costs) on transportation sheet next year so that we can see ultimate costs (has been requested previously); next year we'd like to roll the salary cost into the program's costs/fees, too.

L. Rentals:

1. Perhaps charge graduation chairs to permit account (since income from Revere for splitting them goes there) – savings of \$5,596 to general fund.

M. Summary Review/Budget Finance Recommendations to the Board for
Monday, June 18th Meeting

N. Procedure to be developed for the contingency of increase in funds

Date of Next Meeting: Monday, June 11th, 2012 @ 3:30 PM (if necessary) in Library.