

# WCCUSD Community Budget Advisory Committee

Alvarado Campus

**September 1, 2011**

## ***Minutes***

### **Meeting called to order at 6:30 PM**

#### **Attendance**

**Committee Members Present:** Sheri Gamba, Robert Studdiford, Lisa Erwin, Greg Whaling, Antonio Medrano, Tammy Campbell, Eduardo Martinez, Mike Wasilchin

**Committee Members Absent:** Sue Kahn, Elaine Merriweather, Charles Johnson, Erwin Reeves

**Other Attendees:** Ken Ryan

#### **Minutes**

The committee unanimously approved the July 2011 minutes.

#### **Chairs Report**

None

#### **Update to Calendar**

The revised calendar for the 2011-2012 year was discussed. The topic of State Loan Payoff will be added to both the September 29<sup>th</sup> and October 27<sup>th</sup> meeting to provide the committee with updates.

#### **Presentation**

Linda Jackson, retired Executive Director for WCCUSD, provided a detailed presentation about the process of applying for a Charter School with the District, including all the requirements for approving or denying the charter. It was noted that the District is responsible for the liabilities of a Charter School should it fail its own obligations.

#### **Budget**

Sheri discussed mid-year triggers, stating that we won't be informed about them until December from the Department of Finance. The Legislative Analyst's Office is also scheduled to report on the State triggers. If the State does not enact any mid-year triggers, then our financial picture looks good. However, the Board wants a plan in place in the event the triggers are enacted. At the next Board meeting, Sheri will be reviewing the mid year triggers as they relate to the 4 billion dollar State cut projection scenarios. It is noted that the \$10 million in special reserve can help us through as we plan for any cuts from the State that may be ongoing. However, it is critical that the District have a balanced budget that does not include deficit spending. Deficit spending is defined as spending more in one year than what you take in (revenue) in that same year. Deficit spending for one time, planned expenses, is acceptable if the District has the one time funds to do so.

A resolution for the state loan payoff will be going to the next board meeting scheduled for September 21, 2011. A draft was shared with the committee. The State of California is responsible for part of the interest on the loan in addition to WCCUSD and so has some joint responsibility for the payoff. The Infrastructure Bank (I Bank) has indicated in preliminary conversations that it will allow us to pay off the debt, we have to request formal paperwork and engage the State in the pay off. A special audit is required as a part of the payoff, the audit it to

confirm that there are adequate fiscal systems and controls in place prior to repayment and as a condition of the release from State Trustee oversight.

The District has received a proposal from Vavrinek, Trine, Day & Co.,(VTD) to do the special audit as part of the requirement for paying off the state loan. Once the audit is complete it will be provided to the Department of Education, State Superintendent, Tom Torklason. The District, in the meantime, will request that the I Bank provide information as to the final payoff and how to structure the final payment. By January of 2012, the District hopes to have the audit complete and submitted to the School Board. The current official payoff date, according the debt service schedule is in 2018.

CBAC committee would like to prepare a letter of support to the Board regarding paying off the state loan. In addition, they would like to prepare a formal press release and attend city council meetings and other around the county once the loan is actually paid off. It was noted the concessions that the employees in the District have made in order to have reached this point to pay off the loan.

**Good of the Order:**

**Public Comment**

None

Next meeting is September 29, 2011

**Adjourn**

8:00pm