

FINANCE COMMITTEE – Minutes

3880 Cypress Drive Petaluma, CA 94954 (707) 778-6414

REGULAR MEETING: August 5, 2013

A. OPENING

Time: 6:00 PM

Location: RMCS, 3880 Cypress Drive, Petaluma, CA 94954

Attendees: Julie Parnow, Beth Laurence, Wendy Ross, Kelly Mannion

B. Approval of Minutes. Minutes of previous meetings are put off until the end.

C. PUBLIC COMMENT

None.

D. Finance Update

Wendy led a discussion of the following:

Education Protection Account Allocation Report

Prop 30 requires schools to document and publish the way they are spending the money raised by tax increases, which go into the Education Protection Account (EPA). Wendy's last allocation report allocated \$121,333 of the money to rent and \$45,220 to teacher salaries. Because the revised actual is \$9,279 more than anticipated, Wendy allocated the addition to certificated teacher's salaries.

LCFF Highlights

Wendy provided an overview of local control funding formula (LCFF). While it's effective July 1, 2013, CDE hasn't incorporated many of the LCFF provisions into its apportionment systems. CDE intends to use new LCFF formula in 2013-2014 P-2 apportionment (not calculated until July 2, 2014) to calculate LEA (local education agency/district) funding. LCFF eliminates many categorical funding programs.

Common Core

The CCSS is a nationwide initiative to establish a single set of standards for K-12; state budget provides \$1.25 billion in one-time funds for implementation of CCSS, about \$200 per student. Money can be spent on professional development, instructional materials, technology (e.g., iPads for assessments), and supplemental materials aligned to new common core content standards.

Requires adoption of two-year spending plan, which needs to be explained in a public meeting of the governing board, before its adoption in a subsequent public meeting.

LEAs/districts will be required to submit expenditure reports to CDE by July 1, 2015.

E. 13-14 Fiscal Year Budget and Multi Year Projections

1. Review of 13-14 Budget and MYP (multi-year projections) since adoption 45-day revise

Wendy pointed out the budget revisions per 45-day revise. EPA (Prop 30) funding adds \$147K, and categorical block funding, supplemental grant, and in-lieu EIA are removed. There is a decrease to in-lieu of property taxes, but an increase to state aid (general purpose funding). Additionally, increase to cost of employee benefits expected. Cumulatively, these changes left us an extra \$15k.

Class-size reduction

River is now eligible for class-size reduction funding. Ratio of **24:1** or less required (or collectively bargain alternative ratio or show adequate progress toward ratio). River is poised to qualify for this class-size reduction funding.

2. Cash flow projections for FY 2013-2014

Here are the planned state deferrals for 2013-2014:

- 38% of April P-1 apportionment deferred to July
- 97% of May P-1 apportionment deferred to July
- 100% of June P-1 apportionment deferred to July

Funds from the Education Protection Account (Prop 30 tax funds) will be paid quarterly, which is an improvement since last year.

Cash flow goes quite low in June, but \$135,000 in deferred money will come in in July. Otherwise cash flow looks fine, though cash on hand may dip below required reserve in May. Net end should be about \$135K minus \$56K in July expenses. This will leave about 80K, including the required reserve, which is about \$15K more than 2012-2013 school year.

F. FUTURE AGENDA ITEMS

Fiscal Year 13-14 First Interim Report (July 1-October 31, 2013)

Minutes of 4/29/2013 and 6/04/2013 were tabled until next finance meeting due to lack of time.

FINANCE COMMITTEE – Minutes

3880 Cypress Drive Petaluma, CA 94954 (707) 778-6414

REGULAR MEETING: June 4, 2013

A. OPENING

Time: 6:00 PM

Location: RMCS, 3880 Cypress Drive, Petaluma, CA 94954

Attendees: Julie Parnow, Beth Laurence, Wendy Ross, Kelly Mannion

C. Approval of Minutes. Minutes of meeting from April 29, 2012 are tabled until August 5 finance meeting.

D. PUBLIC COMMENT

Lisa spoke to how hard it was to raise \$100,000 this year. She put several 40 hour weeks in. Auction expenses were only \$3,000 this year due to amount of work put in getting stuff donated; Lisa expects those expenses to triple.

Mark Hall spoke about needing to do a better job communicating, through video, better website design, better communication to homes, promoting school more.

Sarah Mart acknowledged work of last officers.

Matt Hautau spoke to the fact that the money the foundation raised was for the school and the extra money raised is same amount that we need for assistants.

Lisa Baird: Would like to wait until next school year to donate the funds to RMCS so that new RMF team doesn't have to raise so much next year.

E. Before and After School Supervision Policy

The finance committee discussed wording of new policy, affordability of River Crew, establishment of an assistance program of discounts for those who qualify for free and reduced lunch.

F. Education Protection Account Allocation Report

Prop 30 requires schools to document and publish the way they are spending the money raised by Prop 30's tax increases, which go into the Education Protection Account. Wendy printed up the allocation report, allocating \$121,333 of the money to rent and \$45,220 to teacher salaries.

G. Foundation Contributions – 2012-2013 and 2013-2014

The finance committee discussed, with the past and new RMF officers, the use of the surplus funds and the timing of giving it to school.

Actual music donation was \$13,400, but some monies pledged weren't able to be collected (donors defaulted on \$450 in pledges). After the sound system, Lisa thinks there is \$12,094 [sic] left for the music program. RMF anticipated that costs for a music teacher might be the same as last year, about \$10,000, and proposed to give a check

in this amount to the school.

RMF actually raised \$100,000 for the 2012-2013 school year and has given the school \$75,000 so far. The finance committee pointed out that if the school had \$21,000 more, the school could hire three more assistants. RMF officers will discuss this at a special meeting soon.

H. 13-14 Fiscal Year Budget and Multi Year Projections

1. Discussion and review of 12-13 Budget and MYP (multi-year projections)

The finance committee discussed wrapping up of 12-13 budget and MYP. Approximately \$10,200 in cash is anticipated to be left at end of this year after paying the lease payments; plus about \$58,000 as a required reserve.

I. FUTURE AGENDA ITEMS

Fiscal Year 13-14 First Interim Report (July 1-October 31, 2013)

J. FUTURE MEETINGS DATES

August 5, 2013

September 2, 2013

FINANCE COMMITTEE – Minutes

3880 Cypress Drive Petaluma, CA 94954 (707) 778-6414

REGULAR MEETING: April 29, 2013

A. OPENING

Time: 6:00 PM

Location: RMCS, 3880 Cypress Drive, Petaluma, CA 94954

Attendees: Julie Parnow, Beth Laurence, Wendy Ross, Kelly Mannion

B. Approval of Agenda/Additions

C. Approval of Minutes. Minutes of meeting from dates: March 5, 2013, December 4, 2012, August 22, 2012, March 7, 2012, and February 10, 2012

M: Julie moves to approve all minutes. Second: Kelly: A:4 N:0 Approved

D. PUBLIC COMMENT

None.

E. 13-14 Fiscal Year Budget and Multi Year Projections

1. Discussion and review of 12-13 Budget and MYP (multi-year projections)

Enrollment: 165 students projected for next year—a conservative estimate; 95 lower el, 70 upper el.

Discussion of potential cuts due to lack of cash flow due to state deferrals:

Seven part-time assistants in current year budget; next year may have to reduce this number; cost per assistant is about \$7,000 for 16 hours per week
We'll continue to have two special education assistants.

Question for board to consider: If there is \$20K in the budget for next year that hasn't been earmarked, do we want to use it to:

- 1) keep assistants near current levels
- 2) save the money to start establishing a real reserve (in addition to the 5% reserve required by state law) in case of cash flow emergencies, or
- 3) save the money to be partially used on kindergarten start-up costs for the 2013-2014 year.

If we add kindergarten in 2014-2015, we'll need around \$11K for start-up costs. We can't go above 190 students with our current traffic study, so we

might have approximately 170-175 children in 1-6 and 15-20 children in K. Kelly will discuss kindergarten with guides and ask this question: is it more important for children's learning experience to start kindergarten right away or to keep the same level of classroom assistants.

The committee discussed the possibility of a campaign to raise money to keep assistants, but decided it wasn't feasible since the foundation just requested and received money to save the music program at the auction.

2. Discussion of costs associated with adding a Kindergarten to charter.
Wendy added kindergarten into budget for 2014-2015, based on 18 students; estimating expenses, salary & benefits for a fifth-year teacher; one-time costs of \$9,000 for student materials, \$2,000 for furniture.
3. Impact of Prop 30 passage and cash flow for 13-14
State has not passed budget. State may buy back some of deferrals with anticipated and controversial surplus, but nothing is yet clear.

F. FUTURE AGENDA ITEMS

Fiscal Year 2013-14 Budget Adoption and MYP through 2016-17.

Assistants – how many should be in the budget next year

Music program – costs and exact donations collected

FINANCE COMMITTEE – Minutes

3880 Cypress Drive Petaluma, CA 94954 (707) 778-6414

REGULAR MEETING: March 5, 2013

A. OPENING

Time: 5:00 PM

Location: RMCS, 3880 Cypress Drive, Petaluma, CA 94954

Attendees: Julie Parnow, Beth Laurence, Wendy Ross

Guests: Kelly Mannion, Christy Chandler

B. Approval of Agenda/Additions

C. Approval of Minutes: Finance minutes tabled until next time

D. Public Comment

None

E. Kindergarten Addition

Wendy went over the anticipated costs for kindergarten.

2013-2014 estimate of per child funding per ADA

for LE: \$5,198

for UE: \$5,227

The above numbers would be about 2.2% higher in 2014-2015 because of state COLA.

With 20 children, a rough revenue estimate would be about \$106K for 2014-2015

Avg salary w/ benefits would be about half that

One-time costs of 69 to 106K, including materials, construction; separate bathroom needed in/near kindergarten area.

Wendy wants to make sure we negotiate installment payments for construction costs to match our cash flow

No additional space would need to be rented. Admin is considering repurposing tributary hall or front offices and changing entrances.

One-time costs present a significant obstacle since state plans to defer the same portion of our funding next year as they did this year.

F. Field Trip Costs

Astro camp for 15 6th grade students and 3 chaperones: \$8,323

Gold country for 31 students 5th grade students: \$10,823

Marin Headlands for 32 4th grade students: \$9,617

10K in donations still needed

\$1,000 more for burritos and pasta expected in March and significant field trip donations from parents anticipated in March.

The committee reviewed a financial statement for field trips laying out the budget and the donations collected to date

G. Second Interim Report

Wendy presented the Second Interim Report, our financial status for the current year and next three years (through 2015-16). It reflects current activity through January 31st and budget projections as of February 28, 2013.

State has announced they will give back 100% of money from the Education Protection Accounts in June (this was 20% of this year's budget that the state withheld throughout the year). This means we will end the year well, but cash flow is extremely tight right now because of these deferrals.

Negotiations with landlord are ongoing.

Next year's deferrals expected to be the same as last year—20%, but to be returned quarterly, which will be better.

The state is expected to have a surplus by end of 2014.

I. FUTURE AGENDA ITEMS

Fiscal Year 2013-14 Budget Adoption and multi-year budget projections through 2016-17.

J. FUTURE MEETING DATES: Tuesday, June 11, 2013 - 6:00 PM

K. ADJOURNMENT

Approx. 8:45 pm