

FINANCE COMMITTEE

FEBRUARY 16, 2017

Meeting Notes

Present: Liz Schott, Ashley Paff, Quoc Tran, Barbara Johnson, Skip Kniesche, Tim Lentini, Celeste Perez, Patricia Medina, Pere Wait, David Riedel, Dory Leifer,

**Budget 101** – Liz, Ashley, and Barbara presented Budget 101. The presentation began with an overview of the Kentfield School District 2016-17 budget based on the 1<sup>st</sup> Interim budget. Of our \$16.8 million dollar budget, 53.9% of revenues come from local property taxes, state aid or Local Control Funding Formula (LCFF), and 24.5% or \$4 million received from parcel taxes. This accounts for over ¾ of our budget. On the expenditure side, 84.8% is spent on people, comprised of salaries, employee benefits, including both statutory and health & welfare benefits. The remaining 15.2% are operational costs, which included materials and supplies, contracts & services, etc. The District will lose an annual revenue of \$4,786,220 beginning in fiscal year 2019-20 if the current parcel tax is not renewed. When the Governor announced the preliminary 2017-18 budget in January, he predicted flat-funding. Employer retirement contributions to CalSTRS (teacher retirement system) and CalPERS (other classified employees) are increasing sharply. The District will pay over \$1.6m in additional employer contributions from fiscal year 2013-14 through 2023-24. The District maintains the state-required 3% minimum reserve for economic uncertainty of in the current and subsequent two years, an additional 2% board approved reserve, and a \$100,000 special education reserve. Currently the district reserve is 8.89%. In summary, and based on the Governor's 2017-18 preliminary budget, we are expecting no increases in ongoing (LCFF) revenues from the state, and one-time discretionary funding will decrease by over \$200k. Employer retirement contributions and healthcare costs will increase in 2017-18.

**Parcel Tax Renewal** – The District issued a Request for Proposal (RFP) for political consultant to assist in the parcel tax renewal. Three firms responded to the RFP, and interviews will be held on February 27<sup>th</sup>. The firms responding to the RFP are:

- TBWB Strategies (Larkspur-Corte Madera/Reed)
- Whitehurst/Mosher (Mill Valley)
- Connell Lindh Campaigns (East Bay Schools)

**Measure D Bond Update** – Liz Schott gave an update on the Measure D. Kent modernization projects will begin this summer 2017. Plans have been submitted to the Department of State Architects (DSA) for the two-story building at Kent. DSA approval may take approximately 6 – 7 months. Skip Kniesche noted that 5 classrooms will need alternative locations during modernization/Construction: three portable classrooms, Cassie Hettleman's room, and the computer lab.

**Kentfield Schools Foundation (kik)** – David Riedel reported the 2016-17 Annual Giving (AG) program has at least a 50% rate of participation with over \$1m in donations. The spring event, Studio 54, will take place at Peacock Gap on May 6<sup>th</sup>. Kik has had a recent Participation Challenge with an email or a phone call to every parent.

**Kentfield Schools Parent Teachers Association (KSPTA)** – Patricia Medina reported that the PTA funding is being spent. Mr. S. with the Young Imaginations music program with the kindergarteners, the mini-grant program with audio books in the libraries, and teacher stipends. The community events with Parent Education nights have been positive in the community. Makers Night will be joined with several Bacich teachers, Mr. Bessonette, Ms. Libby, and Ms. Ross, all participating in the Maker Night on February 28<sup>th</sup>.

**UPDATE: Next Finance Committee Meeting Date – Thursday, June 1<sup>st</sup>.**