

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
Frank Doodha  
David Howitt  
Bob Jacobson  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Rob Hobart  
District Staff: Pattie Dullea, Superintendent/Principal  
Sandra Peck, Interim Business Manager  
Donna Van Ness, Accountant

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**MEETING AGENDA**

Wednesday, September 29, 2010

5:00-6:00 pm

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Approval of Minutes from May 24, 2010 meeting (Discussion/Action)
2. Introduction/Welcome to New Members (Discussion)
3. Role of Financial Advisory Committee (FAC) (Discussion)
4. Unaudited Financials (Discussion)
5. Foundation Goal (Discussion/Action)
6. FAC Meetings for the Coming Year (Discussion/Action)

Financial Advisory Committee (FAC)  
Minutes from September 29, 2010 meeting

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), David Howitt, Bob Jacobson, Jay Kern, Noel Lindsay, Jeff Lyons, Stephanie Notowich, Sandra Peck (Interim Business Manager), David Petersen, Elizabeth Robbins, Stephanie Robinson, Donna Van Ness (Accountant), Greg Wolkom.

Absent: Rob Hobart

1. Approval of May 24, 2010 minutes.

Marcia Skall indicated two items requiring correction. Under the “Foundation Goal” section on page 2 of the minutes in the second paragraph, a sentence should read “A current board member indicated to him that the funds should not be restrictive and that there should be full access to these funds”. In the third paragraph of the same section, a sentence should read “Jeff Lyons mentioned that some people were concerned toward having both the Foundation’s annual campaign and paver sales taking place next year. Jeff Lyons moved that the minutes be approved with the changes incorporated. Stephanie Robinson seconded the motion. The minutes were approved.

2. Role of FAC.

FAC is a board appointed committee, and is therefore subject to the Brown Act. It is an independent group that evaluates the financial operations of the district. A hand out was distributed that discussed the roles and procedures and the composition and tenure of FAC which the committee reviewed.

Prospective members are encouraged to write a letter of interest which will be included in the board packet and formally approved. In past years, the committee came up with a roster by consensus which was presented to the board for approval. The committee will continue to follow this process. Each member will write a brief biography and submit it to Marcia for inclusion in the board packet.

The role of FAC was discussed. In the past, the FAC recommended building up a major reserve because of the threat to Basic Aid district funding. It has also dealt with long term pension and health and welfare issues. Typically, the FAC’s role is to assist the Board in understanding complex financial information. Last year, the committee reviewed the district’s budget from the “bottom up”, to help determine how to eliminate \$400,000 in budget expense. Suggestions were made that the committee should maintain its “core value” of independent financial review, and provide benchmark analytical information to the Board when budget decisions are to be made.

The district’s financial reporting timeline was discussed. The budget for the next fiscal year needs to be adopted by July 1<sup>st</sup>. Unaudited actuals are due to the county by September 15<sup>th</sup>. First and second interim reports incorporate budget revisions and multi year projections, and are due to the county by December 15<sup>th</sup> and March 15<sup>th</sup>, respectively.

3. Financial Information.

Sandra Peck, Interim Business Manager, presented the unaudited actuals for fiscal year 2009-2010. A handout was distributed which compared budget revision #5 to the unaudited actuals. Budget revision #5 was done in May. The numbers are split into unrestricted and restricted amounts. There is very little restricted dollars from the state. Budget revision #5 projected a \$162,000 deficit, but the district ended up with an operating surplus of \$187,000, resulting in an increase to the ending fund balance of \$350,000. The accompanying memo indicates the main reasons for the change: \$150,000 contribution from Ross Recreation that was not expected, lower expenditures for health and welfare costs of \$77,000, and lower books and supplies expenditure difference of \$70,000. The budget is currently being reviewed and health and welfare projections will be done to reflect more realistic costs, versus using more conservative estimates as has been done in the past.

A three year multi year projections hand out was distributed, using the 2009-2010 unaudited actuals as the baseline. A comment was made that FAC had received five-year projections in the past. Sandra commented that the state uses three year projections; the current year plus two year projections to determine if districts have viable and sustainable programs. Column 1 lists the unaudited actuals, column 2 lists the adopted budget amounts, and columns 3 and 4 represent projections. A 2% projection was used for property taxes. The state budget is not done yet and the possibility exists for more cuts. A few years back, the state imposed mid-year cuts for the first time ever.

The topic of basic aid was brought up, and that if basic aid status is uncertain, the district should keep reserves high. The impact on basic aid by potential issues such as enrollment growth and students with special needs were discussed. Reserves are there to help offset unexpected expenditures. Sandra suggested the district review their programs and decide what to cut back. If conditions improve, the issue is solved. If not, then the district has a plan in place. It was noted that the district historically deficit budgeted but did not deficit spend.

4. Foundation Goal.

Stephanie Robinson, Foundation President, commented that the amount of \$3,320 per student for 2009-2010 represented the fair share amount to help bridge the gap. For 2010-2011, there are 360 students enrolled. The gap amount will be rounded up to \$3,400, which equals a total gross amount of \$1,224,000 that could be potentially raised, less expenses of \$50,000, leaving a potential net amount of \$1,174,000. The golf tournament was a successful event; it raised over \$50,000. Jay Kern, Foundation Vice President, noted that Bob Jacobson, as last year's Foundation President, worked very hard and left no stone unturned in securing and collecting pledges. On a per student basis, last year was the second most successful year. Stephanie would like families to know that their donation is tax deductible, the district has an incredible new facility, and a new gym is forthcoming. Overall, the Ross Common giving level represents a very good value.

The committee concurred with the 2010-2011 fundraising goal of \$1,224,000 gross amount. Regarding the Foundation fundraising amount, FAC does not approve the amount. It can only make recommendations to the Board.

The upcoming pavers' sale was discussed. A discussion was held regarding the pavers' proceeds and whether it should be retained to help district operations or if all or a portion could be allocated to the Endowment Fund. Currently, the district has taken a nearer term focus due to the state budget and the uncertainty of basic aid status.

This subject will be continued at the FAC meeting, scheduled for November 30.

The meeting was adjourned at 7:30 pm



Financial Advisory Committee (FAC)  
Minutes from November 3, 2010 meeting

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), Bob Jacobson, Ruth Karlsrud (Interim Business Manager), Jeff Lyons, David Petersen, Valerie Pitts (Senior Advisor), Stephanie Robinson, Donna Van Ness (Accountant).

Absent: Rob Hobart, David Howitt, Jay Kern, Noel Lindsay, Stephanie Notowich, Greg Wolkom.

1. Approval of September 29, 2010 minutes.

Marcia Skall asked if there were any questions about the minutes. None were noted. Stephanie Robinson moved that the minutes be approved. Jeff Lyons seconded the motion. The minutes were approved.

2. Introduction of New Members.

Ruth Karlsrud was introduced as the new Interim Business Manager. She comes highly recommended from Marin and Sonoma County schools, has over twenty years experience as Business Manager for both revenue limit and basic aid districts, and was a former teacher. Ruth addressed questions regarding how district finances were handled in other districts she worked at, such as the budget process and committee composition.

The committee discussed the current budget process at Ross, how budget input is gathered and how FAC could become more consequential and not “rubber stamp” the Board’s decision. It was suggested that the committee could assist the Board by taking on additional financial projects and responsibilities so as to decrease the amount of discussion held at board meetings; however, Board still has a fiduciary duty.

3. 2010-2011 Budget

Copies of the finance packet from the October board meeting were handed out. The projected operating deficit at the October board meeting was \$102,397 and has now changed to an operating surplus of \$27,111. The change is primarily due to a decrease in the basic aid reduction amount of \$77,695 based on the signed state budget, and the removal of the Education Jobs expenditure place holder amount of \$65,820. The administration decided that the Federal Jobs funds will be appropriated for the Counselor and Art Teacher salaries.

The committee discussed factors that could affect the district budget, such as property taxes impacting revenues, and salaries for expenditures. Enrollment was also cited as a key factor. It was mentioned that the Fiscal Crisis Management Team (FCMAT) and the California Department of Education (CDE) have good sources of school district information on their web site. Also, the flexibility provisions of several programs will go away after 2012-2013, which will need to be addressed in the multi-year projections.

An update on the construction accounting was asked for. It was reported that approximately \$18.5 million had been expended as of August month end, and there be a surplus of approximately \$250,000 based on current estimates. If

additional Office of Public School Construction (OPSC) funds for Phase 3 are received, the surplus might increase to approximately \$1 million. Funds could possibly be kept to meet future deferred maintenance needs; the Board will discuss this in the future.

The budget calendar will be discussed at the next FAC meeting. The Superintendent fills out the paperwork for possible staff adjustments at the beginning of March with the Board making a decision on staffing by March 15.

4. Pavers and Endowment Fund.

The committee resumed from the last meeting the discussion of the pavers' campaign and proceeds allocation. A suggestion was made to allocate the proceeds to the Endowment Fund as a "kick off". The current threshold amount of \$5 million could also be lowered for the Endowment Fund to throw off income. Payments for the pavers would be made payable to the Endowment Fund to keep it separate from the Foundation's annual campaign.

If the proceeds go toward the Endowment Fund, the school community needs to know that this is separate from the Foundation's annual campaign. There would need to be two boards, Foundation and Endowment, who would issue a joint recommendation how much of the Endowment Fund should go to the Foundation. There are currently three members on the Endowment Board; they will add two more members and then will act on lowering the threshold amount. The committee discussed whether the income generated from the Endowment Fund would alleviate some of the pressure on the annual campaign reaching its targeted goal; the amount per family may be initially small, but could grow over the years.

Jeff Lyons moved that the FAC recommends to the Board that the School Board redirects proceeds to the Endowment Fund contingent upon the Endowment Fund lowering or eliminating the threshold to no more than \$1 million or lower. Stephanie Robinson seconded. All present voted aye, there were no nays.

5. Next FAC Meeting Date.

The next FAC meeting date will be November 30<sup>th</sup> at 5:00 p.m.

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
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David Howitt  
Bob Jacobson  
Jay Kern  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Rob Hobart  
District Staff: Pattie Dullea, Superintendent/Principal  
Ruth Karlsrud, Interim Business Manager  
Donna Van Ness, Accountant

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**MEETING AGENDA**

Wednesday, November 30, 2010

6:30 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Approval of Minutes from November 3, 2010 meeting (Discussion/Action)
2. Introduction/Welcome (Discussion)
3. Report from Marin County Office of Education Workshop:  
"Fiscal Crisis and Student Achievement: What we know and  
Don't Know about the Impact for Our Schools and Students" (Discussion)
4. 2010-2011 Budget Revisions (Discussion/Action)
5. 2011-2012 Budget Calendar (Discussion/Action)
6. 2010-2011 Budget Reserves (Discussion)
7. Next FAC Meeting (Discussion/Action)



Financial Advisory Committee (FAC)  
Minutes from November 30, 2010 meeting

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), Bob Jacobson, Ruth Karlsrud (Interim Business Manager), Jeff Lyons, Stephanie Robinson, Rob Hobart, David Howitt, Greg Wolkom, Whit Gaither (observer)

Absent: Jay Kern, Noel Lindsay, Stephanie Notowich,

1. Welcome

Pattie welcomed everyone and introduced Ruth Karlsrud as the new Interim Business Manager.

2. Report from the Marin County Office of Education Workshop

A brief summary of the workshop was given. The topics included improved student achievement, budget difficulties of the state, and how the financial situation is impacting the funding of CA public schools.

Ruth reported that one of the speakers emphasized the importance of cash in school district funding. David Howitt also mentioned that Prop 98 has presented a huge problem for districts. Bob D mentioned that several assumptions from the meeting should be incorporated into our projections, such as the sunset of class size reduction money. He also emphasized the importance of a cash flow model.

3. 2010-2011 Budget Revisions

Marcia stated that there has been a request for the FAC to become more involved in the budgeting process and make direct recommendations to the Board. As a first step in that process, the FAC discussed a memo from Pattie to the Board regarding changes to the budget for the First Budget Revision. FAC agreed that in lieu of voting yes or no, the FAC will arrive at a collaborative agreement using hand signs: thumbs up (in support), down (can't live with proposal), or sideways (don't want to reject a proposal, but aren't entirely comfortable with it). Rob noted that there should be a distinction between a change in an assumption versus a decision and between controllable and uncontrollable decisions. All items in Pattie's memo were supported with a thumbs up in agreement with the Administration's recommendations as stated, with the exception of one member voting a thumbs down for the funding the 5<sup>th</sup> grade computer leases.

4. 2011-2012 Budget Calendar

The Budget Calendar was reviewed, and additional FAC meetings were added. Meetings will be held on January 11 and 25 and February 8 and 15.

5. Approval of the Minutes from Nov. 3

The minutes from the November 3 2010 meeting were approved after Bob J made one change.

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
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David Howitt  
Bob Jacobson  
Jay Kern  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Tuesday, January 11, 2011

5:00 p.m.

Ross School Conference Room  
Ross School, 9 Lagunitas Road, Ross, CA 94957

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|---|---------------------|
| 1. Approval of Minutes from November 30, 2010 meeting | (Discussion/Action) |
| 2. Introduction/Welcome                               | (Discussion)        |
| 3. First Interim Report                               | (Discussion)        |
| 4. District Reserves Policy                           | (Discussion/Action) |
| 5. Foundation   | (Discussion/Action) |
| 6. FAC Members Selection Policy                       | (Discussion)        |
| 7. Next FAC Meetings/Reschedule February 8th Meeting  | (Discussion/Action) |

Financial Advisory Committee (FAC)  
Minutes from January 11, 2011 meeting

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), Sarah Blackstone (Business Manager), Bob Jacobson, Ruth Karlsrud (Interim Business Manager), Jeff Lyons, Whit Gaither, David Howitt, Greg Wolkom, Stephanie Robinson, Bob Jacobson

Absent: Stephanie Notowich, Noel Lindsay

1. Approval of the Minutes from Nov. 30, 2010

The minutes from the November 3, 2010 meeting were approved by all in attendance.

2. Introduction/Welcome

Pattie Dullea introduced Sarah Blackstone as the new Ross School District Business Manager.

3. First Interim Report

FAC review two different scenarios for the Multiyear projections.

Assumption 2 was deemed most realistic, with the following modifications:

Revenue risks:

- Utilize an assumption of 2% property tax (based on some large properties which will convert next year; try to resurrect Daria's property tax worksheet), increase in revenue of \$62,000.
- Potential increase in Foundation Contribution (Golf Tournament netted \$60,000, favorable responses from new Kindergarten families)
- Look for Utility Savings from use of Solar Panel
- Potential, albeit negligible, donation from Endowment

Expenses risks:

- Delete custodial costs, decrease expenditures of \$30,000
- Fair Share reduction (give back) to the State (Budget Workshop on 1/14/11)
- Sunset of CSR by 2012/13 (necessary to watch attendance closely—do we need to add another section—see 1<sup>st</sup> Grade prospective attendance figures)
- May need to fund new mental health services

FAC desires feedback from Board as to assumptions to be used to revise the MYP.

4. District Reserves Policy

- Reviewed competitive data of similar size, demographic and Basic Aide districts. Objective is to fulfill new requirement for schools to have established District Reserve Policy with MCOE
- Many schools have reserves set up in variety of ways

- Our district looks healthy by comparison
- Sarah drafted a Policy, along with new presentation and reserve categories. Draft suggests a minimum reserve of 30% of (expenses + transfers out)

FAC will continue discussion regarding Reserves Policy and Amounts to be held by district. Would like to have Board debate assumptions made by FAC review and incorporated into FAC meeting.

5. Foundation

Stephanie Robinson informed the committee that the Foundation Campaign (last year's campaign) for the 2010-2011 school year is \$15,000 short. Discussion followed as to how the shortfall should be covered. It was agreed to not pay the school the \$15,000.

6. FAC Members Selection Policy

FAC membership guidelines tabled until a later meeting.

7. Next FAC Meetings/Reschedule February 8<sup>th</sup> Meeting

Next meeting is Jan 25. The February 8<sup>th</sup> FAC meeting was rescheduled to February 3<sup>rd</sup>, from 6:30-8:30pm in the conference room.

**Ross School District  
Financial Advisory Committee**

Revised 1/24/11

Members:    Marcia Skall, Chair  
               Bob Dickinson  
               Frank Doodha  
               David Howitt  
               Bob Jacobson  
               Jay Kern  
               Noel Lindsay  
               Jeff Lyons  
               Stephanie Notowich  
               Stephanie Robinson  
               Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
                   Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Tuesday, January 25, 2011

5:00-7:00 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Approval of Agenda (Discussion/Action)
2. Approval of Minutes from January 11, 2011 meeting (Discussion/Action)
3. Reserves Discussion (a continuation) (Discussion/Action)
4. Healthcare Update (Bob Dickinson) (Discussion)
5. Budget Update (report from Sacramento) (Discussion)
6. Budget Development (a look at 2011-12) (Discussion)
7. Set Agenda for Next Meeting February 3, 2011 (Discussion/Action)

Financial Advisory Committee (FAC)  
Minutes from January 25, 2011 meeting

The meeting was called to order at 5:18 p.m.

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal) via conference call from the Superintendents' Symposium in Monterey, CA, Sarah Blackstone (Business Manager), Bob Jacobson, Jeff Lyons, Whit Gaither (Board Liaison), David Howitt, Noel Lindsay, Stephanie Robinson

Absent: Stephanie Notowich, Jay Kern, Greg Wolkom

1. Approval of the Agenda

There was a motion to approve the revised agenda. The motion was seconded and carried.

2. Approval of Minutes from January 11, 2011

There was a motion to approve the revised minutes as corrected from the Jan 11, 2011 meeting. The motion was seconded and carried.

3. Reserves Discussion

There was a discussion on the proper size of the reserve account that should be maintained. The State of California mandates that all schools must maintain a reserve of at least 4% of expenditures. Currently Ross School District targets a level that is far higher: 15% of expenditures plus the difference between Revenue Limit and Basic Aid. However current reserves are below this target. FAC considered the question of whether or not the current approach to determining this target was the best one to use, and if not, what type of an approach should be used. As part of this discussion, Sarah Blackstone described the process that Sacramento uses to move funds to and from the Ross School District and she provided a hypothetical example of how this process could potentially result in a very significant budget shortfall. It was therefore agreed that such a scenario should be one of the risks that the reserve was designed to address. Noel Lindsay also suggested that a potential flattening-out or even a decline in property tax reserves ought to be considered another primary risk and it was agreed that this revenue component is now far less predictable than in the past. It was agreed that the Superintendent and Business Manager would make revisions to the Draft Reserves Policy and these revisions would be discussed and voted upon at the Feb. 3<sup>rd</sup> FAC meeting.

4. Health Care Update

There was an update by Bob Dickinson on three proposals that an insurance broker gave to the Health Care Subcommittee to reduce healthcare costs. All three involved use of Health Savings Accounts (HSAs) and shifting retirement-aged beneficiaries to Medicare while paying for supplemental policies intended

to augment standard Medicare coverage. The insurance broker will facilitate a discussion among all staff on February 2<sup>nd</sup>.

5. Budget Update

Sarah discussed that Pattie, Marcia and she learned at the Jan 14<sup>th</sup> Sacramento Budget Workshop that the District should budget for a worst case scenario of an additional contingent levy of \$330 per ADA. This equates to approximately \$115,000.

Stephanie Robinson gave an update on the current pace of donations received by the Foundation and suggested that the FAC assume a more conservative contribution to the Ross School District budget.

6. Budget Development

There was a discussion on the current budget and proposed 2011-2012 budget. It was brought up that because Pattie is at a Superintendent's conference, she will present a proposed budget along with her long term vision of Ross School at the Feb. 3 FAC meeting.

The group reviewed a budget draft that used the most current assumptions for 2011-12 (i.e, inclusion of the contingent levy). The proposed budget included a large increase in expenses associated with special education, although this increase was considered to be rather conservative as it reflects an assumption that some students would need to be accommodated at other schools at considerable expense, yet it did not reflect the fact that there would also likely be a corresponding reduction in classified salaries, which would be likely if fewer special education students are being accommodated at Ross School.

It was reiterated that confidentiality amongst all FAC members was critical due to the sensitive nature of the discussions.

7. Set Agenda for Next Meeting February 3, 2011

Items for discussion are the District Reserves Policy and Budget Development 2011-2012.

The meeting was adjourned at 7:20pm.

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
Frank Doodha  
David Howitt  
Bob Jacobson  
Jay Kern  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Thursday, February 3, 2011

6:30-8:30 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Approval of Agenda (Discussion/Action)
2. Approval of Minutes from January 25, 2011 meeting (Discussion/Action)
3. Reserves Policy (Discussion/Action)
4. Budget Development (Discussion/Action)
5. Set Agenda for Next Meeting February 15, 2011 (Discussion/Action)



Financial Advisory Committee (FAC)  
Minutes from February 3, 2011 meeting

The meeting was called to order at 5:05 p.m.

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), Sarah Blackstone (Business Manager), Bob Jacobson (arrived later), Jeff Lyons, Whit Gaither (Board Liaison), David Howitt, Noel Lindsay, Stephanie Robinson

Absent: Stephanie Notowich, Jay Kern, Greg Wolkom

1. Approval of Agenda: There was a motion to discuss agenda item #4 Budget Development prior to item #3 District Reserves. The motion was seconded and carried.
2. Approval of Minutes: There was a motion to approve the revised minutes as corrected from the Jan. 25, 2011 meeting. The motion was seconded and carried.
3. Pattie presented her strategic plan for Ross School.

4. Budget Development

Sarah presented budget spreadsheets showing Budget Revision #2 and a Budget Draft for 2011-12. The biggest financial concerns in 2011-12 for the District are 1) a potential \$330/ADA contingent levy (approximately \$115,000) if Jerry Brown's State Budget is not approved into law in June, 2011, and 2) a possibility that a Fair Share Reduction of some undetermined amount could be due as well. The Fair Share Reduction has been shown in the First Interim Report as (\$127,000), although there is no indication from Sacramento whether the funds will be assessed this year, or if so, by what amount. There was discussion about whether (\$127,000) should be budgeted as a line item, or indicated as an item for which specific reserves should be held.

A conversation ensued discussing the various aspects of how to account for these two monetary threats. A majority of the committee expressed that both the \$330/ADA estimate and the Fair Share Reduction (\$127K) be budgeted in the income statement.

Several other items were discussed. It was noted that the projected budget shows a decrease in spending on computers, yet we actually expect this to be an ongoing expense. Pattie noted that the Technology Committee has been tasked with the responsibility of developing a technology plan, which would include projected funding requirements so that they may be incorporated into future budget planning.

The topic of Special education resources for the District was discussed. In 2011-12, there may be some changes with some of the students. It may be more advantageous for a student to be served at an off-site facility rather than at Ross School. Any economic effects will be monitored.

It was noted that it is unusual that Ross School has a full time nurse on-site, although it was also stated that we do have diabetic students, and hence, are required to have someone on site who can administer tests and medication. It was also reported that the current nurse also acts in a number of other roles.

David Howitt explained that he felt reserves were to be used for a rainy day, and that the financial difficulty we are experiencing is good reason to consider spending reserves. He cautioned the group with the notion that the Staff would highly encourage avoiding making changes to personnel, especially after last year. He indicated that he thought things were working well.

David Howitt was asked about the teachers' response to the Health Benefits presentation given at the last Staff Meeting. It was reported that the that the teachers seemed to generally be OK with the proposal to shift to the use of HSAs for healthcare expenses but that they also have a lot of questions.

Bob D reminded everyone that we will have a large 6-figure number of \$\$\$ left over upon completion of construction. He encourages every possible applicable cost to be run through the project, and then return the remaining dollars to the taxpayers. Sarah said that once she is able to spend some time reviewing the accounting for the construction funds, she will easily be able to determine the financial status.

5. Next meeting: Feb. 15 from 5 to 7 pm. The public will be invited to attend.

The meeting was adjourned at 9:00pm.

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
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Jay Kern  
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Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Tuesday, February 15, 2011

5:00-7:00 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

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| 1. Approval of Agenda                                | (Discussion/Action) |
| 2. Approval of Minutes from February 3, 2011 meeting | (Discussion/Action) |
| 3. Budget Development                                | (Discussion/Action) |
| 4. District Reserves                                 | (Discussion/Action) |
| 5. Set Agenda for Next Meeting                       | (Discussion/Action) |

**FAC meeting minutes**  
**2/15/11**

Present: Marcia Skall (Chair), Bob Dickinson, Frank Doodha, Pattie Dullea (Superintendent/Principal), Sarah Blackstone (Business Manager), Bob Jacobson, Jay Kern, Jeff Lyons, Whit Gaither (Board Liaison), David Howitt, Noel Lindsay, Stephanie Notowich, Stephanie Robinson

Absent: Greg Wolkom

Marcia called meeting to order.

**1. Approval of Agenda**

Jeff moved to approve  
Bob J seconded  
Motion passed

**2. Approval of Minutes**

Jeff amended the minutes from the last meeting. Minutes will be re-circulated.  
Bob moved to approve as amended  
Frank seconded

Marcia requested that all requests for information be made in a timely manner so that the Business Manager has at least 2 days to prepare the materials.

**3. Budget Development**

Marcia presented six different budget iterations with various scenarios regarding Fair Share reduction, ADA reduction, and potential salary increases.

Sarah Blackstone reported that the state can't take more than \$330/ADA next year. It is very unlikely that the state will attempt to take back both the \$330/ADA and the Fair Share reduction. MCOE is recommending that Basic Aid Districts budget use the \$330/ADA figure. State is wary of reducing funding to a greater extent for Basic Aid Districts because so many have also had property tax hit as well.

Marcia discussed the potential financial impact of the possible changes to administrative structure such as new or revised positions and expenses related to personnel searches. Stephanie Robinson reported that Foundation revenue may be reduced due to negative reaction to the Feb 9<sup>th</sup> Board decision. A revised estimate of \$1.050M was agreed upon.

Whit Gaither recommended keeping administrative costs essentially flat between 2010-2011 and 2011-2012, with the possibility of a \$50,000 search cost estimate.

Marcia presented various cost saving proposals to consider if the Board elects to make program changes in order to avoid deficit spending.

Bob Jacobson suggested reducing the information presented and the risks and uncertainties now surrounding the budget be summarized down to one page for presentation to the Board.

#### **4. District Reserves**

Marcia presented the latest draft of the District Reserve Policy. Pattie Dullea read the draft to the Committee. Various Committee members suggested a few changes to the wording of the policy. It was agreed that the target reserve stated in the policy be set at 40% of the current year's unrestricted expenditures plus transfers out.

#### **5. Set Agenda for next meeting**

The next FAC will be held on March 3<sup>rd</sup> at 6:30pm.

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
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Bob Jacobson  
Jay Kern  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Thursday, March 3, 2011

6:30-8:30 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Assignment of Note Taker (Discussion/Action)
2. Approval of Agenda (Discussion/Action)
3. Approval of Minutes from February 15, 2011 meeting (Discussion/Action)
4. Budget Development – Discuss results of March 2 Board meeting (Discussion/Action)
5. Set Date and Agenda for Next Meeting (Discussion/Action)

**Ross School District  
Financial Advisory Committee**

Members: Marcia Skall, Chair  
Bob Dickinson  
Frank Doodha  
David Howitt  
Bob Jacobson  
Jay Kern  
Noel Lindsay  
Jeff Lyons  
Stephanie Notowich  
Stephanie Robinson  
Greg Wolkom

Board Liaison: Whit Gaither  
District Staff: Pattie Dullea, Superintendent/Principal  
Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Tuesday, March 29, 2011

5:00-7:00 p.m.

Ross School Conference Room

Ross School, 9 Lagunitas Road, Ross, CA 94957

1. Assignment of Note Taker (Discussion/Action)
2. Approval of Agenda (Discussion/Action)
3. Approval of Minutes from February 15, 2011 meeting (Discussion/Action)
4. Update on OPSC grant funds accounting (Discussion)
5. Foundation Update (Discussion)
6. Endowment Update (Discussion)
  - Pavers Campaign
  - “Quiet Campaign”
7. Review 2<sup>nd</sup> Interim (Discussion)
8. Criterion and Standards form (Discussion)
9. Budget development (Discussion)
  - Enrollment/ADA
  - Technology
  - Allocation method
10. Next meeting date and time (Discussion/Action)

**FAC meeting minutes**  
**3/29/11**

Present: Marcia Skall, Chair, Pattie Dullea, Superintendent/Principal, Sarah Blackstone, Business Manager, Noel Lindsay, Jeff Lyons, David Howitt, Stephanie Robinson. Frank Doodha

Absent: Greg Wolkom

Marcia Skall called the meeting to order at 5:10 p.m..

**1. Approval of Agenda**

Noel Lindsey moved to approve  
Sarah Blackstone seconded  
Motion passed

**2. Approval of Minutes**

Jeff Lyons move to approve  
Noel Lindsey seconded

**3. Update on OPSC Grant Funds Accounting**

Ross School received two OPSC Grant Funds as a result of hardship grant applications made after the 2005 flood. Sarah Blackstone accounted for 2 OPSC grants in her previous position in San Luis Obispo, and pointed out that the accounting for OPSC funds was very specific, and that the requirements had changed in early 2010. Jeff Lyons suggested that perhaps Donna Vanness and Valerie Pitts could give a brief presentation to the FAC committee members at the May FAC meeting.

**4. Foundation Update**

The Foundation is currently 95% of goal, at \$1,157,000 (gross). Expenses must be paid from this amount. The target for the net contribution by the Foundation to the school this year (for next year's budget) is \$1,085,000 and is anticipated to be met. Congratulations to Stephanie Robinson and the Foundation Board for an outstanding job.

**5. Pavers Campaign Update**

Bob Jacobson was traveling and unable to attend but Marcia provided FAC with an update on his behalf. She basically provided a description of the current plan but did not have any details regarding progress towards reaching established goal of \$475,000 to \$500,000.

"Quiet Campaign" Update:



This is a nascent effort to propel the endowment effort through contributions from a small number of very large donors. There has been some concern due to administrative changes by the board that the timing of the "Quiet Campaign" may not be propitious.

## **6. Review of Second Interim Report**

The Second Interim Report, released on March 15, forecasts a surplus of \$144,099 for the 2011-2012 academic year. Sarah Blackstone reported that much of this improvement was due to more careful forecasting. She noticed that many line items in previous forecasts were chronically higher than necessary so she brought them more into line with historical expense data.

Sarah Blackstone also explained that she discovered an account that is entitled "Athletic Endowment" in the approximate amount of \$34,000. It has been there since 2007 but nobody is familiar with it. The FAC felt that it would be appropriate to ask a few community members who might know who donated it, and if so, if they wanted to attach any restrictions to how this endowment may be used. If it's not possible to find the donor, the FAC felt that it would be wise to transfer this endowment into the general Ross School Endowment because it would be possible for this money to generate a much higher rate of return. Currently, it is yielding almost zero interest.

It was also noted that the Second Interim Report's forecast did not include any revenue that may be paid by Ross Rec to Ross School in return for their use of Ross School facilities. It is not known how much revenue could be generated and was therefore not budgeted.

## **7. Budget Development Update**

There was a discussion on enrollment and how it impacts the budget.

Pattie Dullea met with the head of the school's information technology group in an effort to find better ways to accomplish the objective of securing the latest technology. There will be a report on their findings to the School Board at the May meeting.

Sarah Blackstone proposed a new way to facilitate the process of approving expenses. Rather than having a centralized process of approving purchases, she proposed that a more decentralized approach be used. In such a system, a chairperson would be chosen for each of a number of different topical groupings of expenses, such as information technology or fine arts. Then there would be a budget allocated to each such chairperson for him or her to allocate as appropriate to achieve the relevant objectives.

#### Review of Cash Flow Projection:

Sarah Blackstone presented a cash flow forecast, which showed that the lowest projected cash balance would take place at the beginning of December of 2011, with \$563,412. However during that month, property taxes are received, thus raising the projected cash balance to \$2,706,336.

#### **8. Set Agenda for next meeting**

Marcia Skall said that the next, most likely final, meeting would be sometime in May.

**Ross School District  
Financial Advisory Committee**

Members:      Marcia Skall, Chair  
                  Bob Dickinson  
                  Frank Doodha  
                  David Howitt  
                  Bob Jacobson  
                  Jay Kern  
                  Noel Lindsay  
                  Jeff Lyons  
                  Stephanie Notowich  
                  Stephanie Robinson  
                  Greg Wolkom

Board Liaison: Whit Gaither  
District Staff:  Pattie Dullea, Superintendent/Principal  
                  Sarah Blackstone, Business Manager

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**MEETING AGENDA**

Monday, May 9, 2011

7:30-9:30 p.m.

Ross School Conference Room  
Ross School, 9 Lagunitas Road, Ross, CA 94957

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|---|---------------------|
| 1. Assignment of Note Taker   | (Discussion/Action) |
| 2. Approval of Agenda   | (Discussion/Action) |
| 3. Approval of Minutes from the March 29, 2011 meeting                            | (Discussion/Action) |
| 4. Foundation Update  | (Discussion)        |
| 5. Endowment Pavers Update  | (Discussion)        |
| 6. Budget Revision 2010-2011  | (Discussion)        |
| 7. Budget Draft 2011-2012   | (Discussion)        |
| 8. Long-term Implications of the Current and Potential "Clawbacks" from the State | (Discussion)        |
| 9. Next meeting date and time   | (Discussion/Action) |

## **FAC Board Meeting Notes May 9<sup>th</sup>, 2011**

**Present:** Marcia Skall (Chair), Bob Dickinson, Pattie Dullea (Superintendent/Principal), Sarah Blackstone (Business Manager), Jeff Lyons, Stephanie Robinson, Noel Lindsay, David Howitt

**Absent:** Bob Jacobson, Frank Doodha, Jay Kern, Stephanie Notowich, Greg Wolkom

### **Approval of Agenda**

Marcia made a motion to remove Item 6: Budget Revision 2010-2011  
Jeff Lyon made a motion to approve the revised agenda, Stephanie Robinson seconded, all approved.

### **Approval of Minutes**

Stephanie made one change to minutes regarding the Foundation portion of the minutes. Stephanie made a motion to approve the revised minutes, Jeff Lyon seconded, all approved.

### **Foundation Update**

Stephanie reported that pledge collections are proceeding. The Foundation still expects to donate \$1,085,000 to the school towards the 2011-2012 budget. We now have 100% Kindergarten participation. It was acknowledged that Pattie's mentioning of the importance of the Foundation during her tours to prospective parents played a key role.

### **Endowment Pavers Update**

Bob Jacobson sent an update that stated the pavers campaign is going slower than expected. We have about \$75K in sales so far, with an expected \$40K-\$50K additional based on verbal commitments. Bob expects a total of no more than \$150K to \$200K before mid-June. Therefore, there will likely need to be a second phase of the paver campaign next year. There may be an advantage to marketing the pavers after the courtyard is in place and people can see where the pavers will be placed.

### **Budget Draft 2011-2012**

Sarah Blackstone presented the latest update of the 2011-2012 Budget Draft.

The Athletic Endowment is approximately \$35K and Sarah would like to move the principal into the Ross School Endowment. The gift was made 8 to 10 years or more ago. Dave Peterson suggested that we contact Cathy Townsley. Marcia had emailed her, but she hasn't heard back. At this point, we don't know who the donor was or what their intent was. Bob Dickinson said it was important to honor the intent of the donor. Was there a specific intent? Can we contact that donor? We will try to get further info about the donor and intent.

Removal of the Athletic Endowment (into the Ross School Endowment) and \$22,000 in ARRA funds that must be used for Special Ed by the end of September are reflected in the budget draft. The ARRA funds may go into a pilot program of iPads for special education.

Bob Dickinson asked whether Endowment funds will be earmarked for any particular purpose. Jeff Lyons said no, endowment contributions are currently expected to go into unrestricted Foundation contributions.

Sarah presented a worst-case budget scenario for 2011-12 with flat property taxes and a “double whammy” from the state: \$350 per ADA funds deducted and the state Fair Share Reduction (8.92%). Surplus shown is now \$138,485. This budget draft is now very lean with reductions in various budgeted items (e.g., contracts, better projections on benefits, elimination of unused accounts). The administrative team has also been cut, eliminating the ISSS and Special Advisor positions. There is nothing budgeted for additional administrative personnel at this time beyond the Superintendent/Principal and a 0.6 Dean. At this point, we are going from 2.5 FTEs to 1.6 FTEs. Jeff Lyons suggested putting in a placeholder of .9 FTE for a prospective increase in administration since there is a significant probability that we will need to increase administrative personnel in the future.

Several committee members raised concerns about the fundraising capability of the Foundation, due to fallout from the turnover and uncertainty of the school administrative structure. Given the significant contribution of 22% to 25% to the overall budget, the Campaign remains one of the key areas of vulnerability for the District.

Bob Dickinson asked if the group thought it would be worthwhile to forecast out five years. Noel indicated that there were various issues we could examine, such as the impact of a young teaching staff (will become more expensive over time), property tax issues (weak housing prices yielding a leveling of property tax fund), and what happens if the fund-raising capability of the foundation is reduced based on uncertainty in the School Administration (note: low response to the Paver’s Campaign).

**Summary of the key areas of vulnerability:**

- Administrative leanness; no one in charge of Special Ed or Instructional Supervision
- Issues relating to the Foundation’s fund-raising capability
- Costs involved in finding a permanent solution (a Search?)
- Collective bargaining
- Kindness Campaign

Bob Jacobson will be next year’s chair. The meeting was adjourned at 9:30pm.