

**DISTRICT BUDGET COMMITTEE**  
**Meeting Minutes**  
**May 25, 2018**  
**10:00 a.m. — 12:00 p.m.**  
**SJCC, SC-204**

**QUORUM NOT MET**

**Members Present:** Doug Smith, Peter Fitzsimmons, Jonathan Camacho, Faustino Villa, Yesenia Ramirez, Sandra Gonzalez, Dan Hawkins, Jorge Escobar, Paul Fong, Maria Avalos

**Members Absent:** Fabio Gonzalez, Carlos Marques, Robert Gutierrez, Eugenio Canoy, Andrea Alexander, Eric Narveson, Jesus Covarrubias

**Also Present:** Jennifer (Diep) Le, Carol Anderson (Recorder), Kathy Tran

- 1) Call to Order: – the meeting was called to order at 10:09 A.M.
- 2) Approval of May 25, 2018 Agenda: The agenda was reviewed, no vote was taken due to a lack of quorum.
- 3) Approval of April 26, 2018 meeting minutes: Approval of the April 26, 2018 minutes will carry over to the August 30<sup>th</sup> meeting due to a lack of quorum.

- 4) FY 2018-19 Proposed Schedule: Following is the proposed FY 2018-19 meeting schedule:

| <u>Date</u> | <u>Location</u> | <u>Time</u>       |
|-------------|-----------------|-------------------|
| 8/30/18     | EVC, Mishra     | 3:30 pm – 5:00 pm |
| 9/20/18     | SJCC            | 3:00 pm – 5:00 pm |
| 10/25/18    | EVC, Mishra     | 3:00 pm – 5:00 pm |
| 11/15/18    | SJCC            | 3:00 pm – 5:00 pm |
| 12/6/18     | EVC, Mishra     | 3:00 pm – 5:00 pm |
| 1/31/19     | SJCC            | 3:00 pm – 5:00 pm |
| 3/14/19     | EVC, Mishra     | 3:00 pm – 5:00 pm |
| 4/25/19     | SJCC            | 3:00 pm – 5:00 pm |
| 5/23/19     | EVC, Mishra     | 1:00 pm – 2:30 pm |

- 5) May Revise: Mr. Smith reviewed the May Revise.
- 6) Mr. Fitzsimmons reviewed the Tentative Budget report and highlighted the following:
  - a) The tentative budget does not include the COLA. The adopted budget will include the COLA and look much different than the Tentative Budget.
  - b) The assumptions change from 3<sup>rd</sup> quarter to tentative. The latest data point is 8.63% and will be trued up when FY 2017-18 is closed.
  - c) The May revise increased the inflation factor to 2.71% which doesn't affect us as a Basic Aid District.
  - d) The District will receive its 1<sup>st</sup> data point for FY 2018-19 on August 28<sup>th</sup>. The tentative budget is based on 3.5%.
  - e) The fund 10 FY17-18 budget will be augmented for salaries in fund 17 when the retroactive COLA is complete.

- f) The dental, vision and EAP assumptions on page 138 will likely change between tentative and adopted. The tentative budget shows an increase of 5% for dental, 3% for vision and no change for EAP.
- g) The discount factor was 1.78% and is now reduced to 1.65%. This will likely change based on actuals. We always assume we will spend more than we actually do. When creating the tentative budget we take the five year average.
- h) The tentative budget shows four years of projections: FY17-18 estimated totals, FY18-19 tentative budget and FY19-20 and FY20-21 estimated budgets.
- i) Fund 10:
  - i. The Milpitas budget was \$750K but they had a significant amount of carry over, the discount factor was applied.
  - ii. EVC projected revenues and expenses:

|          | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|----------|---------|---------|---------|---------|
| Revenue  | \$4.6M  | \$4.7M  | \$4.7M  | \$4.7M  |
| Expenses | \$41.3M | \$42.5M | \$42.5M | \$43.5M |

- iii. SJCC projected revenues and expenses:

|          | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|----------|---------|---------|---------|---------|
| Revenue  | \$5.4M  | \$5.8M  | \$5.4M  | \$5.4M  |
| Expenses | \$41.2M | \$42.3M | \$42.6M | \$43.1M |

- iv. District Services projected revenues and expenses:

|          | FY17-18 | FY18-19 | FY19-20 | FY20-21 |
|----------|---------|---------|---------|---------|
| Revenue  | \$244K  | \$197K  | \$128K  | \$132K  |
| Expenses | \$15.2M | \$16.7M | \$16.7M | \$16.9M |

- v. District Wide projected revenues and expenses:

|          | FY17-18 | FY18-19  | FY19-20  | FY20-21 |
|----------|---------|----------|----------|---------|
| Revenue  | \$105M  | \$110.6M | \$111.7M | \$115M  |
| Expenses | \$13.7M | \$13.7M  | \$13.7M  | \$13.8M |

- j) Fund 11:
  - i. Fund 11 is running at a deficit and depends on a transfer from fund 10 to balance. The District police department is working to rectify this issue, starting with installing new parking machines.
  - ii. Fund 11 is mostly personnel costs. Mr. Hawkins feels that officers and cso's should not be funded from fund 11, however if these costs are moved to fund 10, the District would have a 50% law compliance problem.
  - iii. The Eco pass is also in fund 11 and also runs in a deficit.
  - iv. Revenue from citations have to go to fund 10.
- k) Mr. Fitzsimmons gave a quick overview of the remaining funds.

6) Meeting adjourned