

SANTA CRUZ CITY SCHOOLS DISTRICT
STUDY SESSION FOR THE ELEMENTARY
AND SECONDARY DISTRICTS
WEDNESDAY, OCTOBER 28, 2020
OPEN SESSION BEGINS AT 6:00 P.M.
ZOOM REMOTE BOARD MEETING

POSTED
DATE:
TIME:
LOCATION:
EMPLOYEE:

COMMUNITY MEMBERS CAN PARTICIPATE REMOTELY VIA ZOOM:

[Click on this link to join meeting](#). Meeting Password: SCCS

AGENDA

Item	Purpose / Support
Agenda (Estimated Time)	
1. Convene Open Session	6:00 p.m.
1.1. Welcome	
1.2. Agenda Changes, Additions or Deletions & Announcements	
2. Public Comments	<i>For presentations of matters not on the Agenda. 3 minutes for individuals; 15 minutes per subject.</i> Note to Members of the Public: Thank you for taking the time to attend this meeting. Santa Cruz City School Board Members appreciate your presence and your comments regarding items not on the agenda are valued. Per Santa Cruz City Schools Board Bylaw protocols, Trustees will not comment on Public Comments during this time.
3. Items to Be Transacted and/or Discussed	6:15 p.m.
3.1. Business Services Study Session	Staff will share information and the Board will discuss the bond budget and the Board will discuss the potential formation of a Fund 17 Basic & State Aid Reserve and Facility Rental Options.
4. Adjournment	
5. Adjournment	

The board book for this meeting, including this agenda and back-up materials, may be viewed or downloaded online: http://sccs.net/board_of_education or may be viewed at the District Office, 133 Mission St. Ste. 100, Santa Cruz, CA 95060.

Public Participation:

All persons are encouraged to attend and, when appropriate, to participate in meetings of the Santa Cruz City Schools Board of Education. If you wish to speak to an item on the agenda, please be present at the beginning of the meeting as any item, upon motion, may be moved to the beginning of the agenda. Consideration of all matters is conducted in open

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session except those relating to litigation, personnel and employee negotiations, which, by law, may be considered in closed session.

Translation Requests:

Spanish language translation is available on an as-needed basis. Please make advance arrangements with Alyssa Martinez by telephone at (831) 429-3410 extension 220.

Las Solicitudes de Traducción:

Traducciones del inglés al español y del español al inglés están disponibles en las sesiones de la mesa directiva. Por favor haga arreglos por anticipado con Alyssa Martinez por teléfono al numero (831) 429-3410 x220.

Board Meeting Information

1. The Study Session on October 28, 2020, 6:00 p.m., will be held remotely via Zoom
2. The Regular Meeting on November 4, 2020, 6:30 p.m., will be held remotely via Zoom.
3. The Regular Meeting/Study Session on November 18, 2020, 6:30 p.m., will be held remotely via Zoom.
4. The Special Meeting on December 2, 2020, 6:30 p.m., will be held remotely via Zoom.
5. The Regular Meeting on December 16, 2020, 6:30 p.m., will be held remotely via Zoom.
6. The Regular Meeting on January 13, 2021, 6:30 p.m., will be held remotely via Zoom.
7. The Regular Meeting/Study Session on January 27, 2021, 6:30 p.m., will be held remotely via Zoom.
8. The Regular Meeting on February 10, 2021, 6:30 p.m., will be held remotely via Zoom.
9. The Regular Meeting on February 24, 2021, 6:30 p.m., will be held remotely via Zoom.
10. The Regular Meeting on March 10, 2021, 6:30 p.m., will be held remotely via Zoom.
11. The Regular Meeting on March 24, 2021, 6:30 p.m., will be held remotely via Zoom.
12. The Regular Meeting on April 14, 2021, 6:30 p.m., will be held remotely via Zoom.
13. The Regular Meeting/Study Session on April 28, 2021, 6:30 p.m., will be held remotely via Zoom.
14. The Regular Meeting on May 5, 2021, 6:30 p.m., will be held remotely via Zoom.
15. The Regular Meeting/Study Session on May 19, 2021, 6:30 p.m., will be held remotely via Zoom.
16. The Regular Meeting on June 2, 2021, 6:30 p.m., will be held remotely via Zoom.
17. The Regular Meeting on June 16, 2021, 6:30 p.m., will be held remotely via Zoom.

SANTA CRUZ CITY SCHOOL DISTRICT

AGENDA ITEM: Business Services Study Session

MEETING DATE: October 28, 2020

FROM: Jim Monreal, Assistant Superintendent of Business Services

THROUGH: Kris Munro, Superintendent

BACKGROUND:

This study session will focus on three items:

- Bond Budget
- Fund 17 - Basic and State Aid Reserve
- Facility Rental COVID Options

Bond Budget

As part of our facilities master planning process, we hired an architectural firm to support our needs assessment. Throughout the fall of 2015, Teter and Associates assessed our properties identifying needs for infrastructure, rehabilitating aging plumbing and sewer systems, repairing/replacing leaky roofs, upgrading technology infrastructure, modernizing outdated classrooms, updating heating and ventilations systems, addressing deteriorated buildings (doors, windows, structural repairs, dry rot, painting), improving school safety, upgrading athletic fields, upgrading career tech and science labs for the 21st century, and many more pressing needs.

Community input was an essential component of our process. Throughout the 2015-16 school year, district staff worked to include the voices of our stakeholders with numerous meetings and surveys. These input opportunities included:

12 Community Meetings on each school facility and district wide facilities issues all advertised in the Sentinel:

1/20/16 - Westlake Elementary
1/20/16 - Bayview Elementary
1/20/16 - Mission Hill Middle
2/4/16 - Gault Elementary
2/4/16 - Delaveaga Elementary
2/4/16 - Branciforte Middle
2/5/16 - Harbor High
2/9/16 - Branciforte Small Schools
2/9/16 - Natural Bridges

2/16/16 - Santa Cruz High
2/17/16 - Soquel High

A Steering Committee was formed with 25 stakeholders to prioritize identified needs and provided input into final recommendations for the Facilities Master Plan.

One of the recommendations made was that funds were to be distributed by a snapshot of Average Daily Attendance at that time. Since then all Bond fund distribution decisions have used the percentages determined by the Steering Committee.

It is proposed by staff that SCCS continue to follow that recommendation in allocating the interest earned on the bond funds that have been received as well as the site set aside dollars that were held for potential project cost increases and unforeseen circumstances.

Fund 17 - Basic and State Aid Reserve

At the request of the Board Ad Hoc Budget Committee, staff has explored the possibility of establishing a Fund 17 Basic & State Aid Reserve. Establishing Fund 17 is a way to create a savings account for the district to weather impending revenue loss due to declining enrollment and state budget reductions. The purpose of Fund 17 is for general fund resources for general operating purposes other than for capital outlay (Education Code Section 42840). Amounts from this special reserve fund must first be transferred into the general fund or other appropriate fund before expenditures may be made (Education Code Section 42842).

Although this fund is authorized by statute, it functions effectively as an extension of the general fund. For presentation in the audited financial statements, this fund may either be combined with the general fund or be reported separately.

With the Coronavirus pandemic, Santa Cruz City Schools is continuing to stay abreast of state mandated interim reporting during the fiscal year. During the pandemic, revenues and expenses have fluctuated based on federal, state and local funds as well as expenditures associated with campuses changing to distant teaching.

Post the 2020-21 budget adoption, the district utilized Coronavirus Relief Funds and Learning Loss Mitigation Funds for appropriate expenses that dated back to March of 2020. At our Unaudited Actuals presentation on September 23, 2020, an updated multi year projection (MYP) was part of the packet and the district indicated savings that projected a 9.91% reserve in 2020-21, 11.52% in 2021-22 and 11.20% in 2022-23.

As our student population continues to decrease, SCCS will experience reduced funding. The current multi year projection projects a 0% cost of living adjustment. As we continue in 2020-21, COVID-19 may lead to a greater reduction in revenues. The creation of Fund 17 would allow the District to set aside resources to minimize reductions in future budgets.

Facility Rental COVID Options

The Business Services team prepared a Civic Permits fee schedule that reflected our district costs for additional COVID requirements. Given the California Department of Public Health's requirements for both youth sports and pools, there is a significant impact on our third party renter's costs, as there are a limited number of participants permissible at any time.

It is not our intention to create a system that precludes community participation. We recommend the following potential adjustments to the schedule during the pandemic.

- 1) Eliminate COVID cleaning fee
- 2) Work with community renters to maximize time and value of their rental agreement

Given Board direction, staff would bring a resolution to state that the district is choosing not to collect the full fees and costs of operations outlined by the Civic Center Act. The purpose of the resolution is to make public that the true fee is being lowered to support the public during the pandemic.

Business Services Study Session

October 28, 2020



Bond Interest and Set Aside Resources

Bond Interest:

Bond funds on deposit with the County that have not been spent on projects earn interest.

District Bond Set Aside:

District set aside was intended to provide funding to support projects for needs that were a districtwide resource ie: Maintenance facility and Transportation.

Site Bond Set Aside:

These funds are a small contingency to help with the wrap up of the sites' projects.



SCCS Bond Organizational Chart

Santa Cruz City School Board of Trustees

SCCS Superintendent – Kris Munro

**Independent
Community Bond
Oversight
Committee**

BOND PROJECT CORE TEAM

Jim Monreal, Assistant Superintendent Business Services

Trevor Miller, Director Maintenance Operations and Transportation

Jerene Lacey, Interim Director of Fiscal Services

Chris Garcia, Construction Facilities Project Manager

Tricia Hayes, Project Coordinator

Paul Lipscomb, Maintenance & Operations and Custodial Supervisor

Architectural Firm Advisors – Bartos, Belli, Madi Group (advise & inform Core Teams & Site Bond Committees)

School Site Bond Committees

(Composed of Principal, Parents, Staff & Secondary Students)

Bond Projects Areas of Responsibility

BOARD/SUPERINTENDENT

- Approval of contracts
- Approval of change orders
- Approval of expenditures
- Approval of project prioritization, project plans and schedules
- Approval of deferred maintenance plans
- Approval of sale of bonds

Receives regular updates on progress and status of bond program from District Administration and BOC

BOND OVERSIGHT COMMITTEE (BOC)

- Review expenditures
- Annual report
- Inform the public

Meets a minimum of once per year with Bond Project Core Team to receive regular project updates and reports regularly to the Board

Bond Projects Areas of Responsibility continued

BOND PROJECT CORE TEAM


- Project leadership and oversight
- Primary decision-making body during design and construction phases
- Completes project spending authority within Board approved budget
- Seeks input from community and all stakeholders
- Seeks approval from the Board for initial project funding, budget and schedule
- Monitor and maintain project schedule and budget
- Establishes project priorities within voter approved bond scope
- Provides content for bond update and communications for website and newsletters

Meets weekly. Provides input to BOC and School Board

SITE BOND COMMITTEES

- Provides input and makes recommendation to Bond Project Core Team on major design projects
- Acts as liaison to staff, community, students and parents
- Assists Core Team in establishing project priorities

Meets as needed and reports to the Superintendent and Bond Project Core Team



Commitment to Informing & Engaging Site Bond Committees

- Post dates of meetings well ahead of time on district & site websites
- Provide lists of committee membership on bond website
- Provide members with meeting agendas and any backup material needed to be well-informed recommendation-builders three days ahead of meetings
- Post notes (minutes) of meetings on websites
- Ensure that Principals keep site staffs “in the loop” on key issues
- Post periodic visual updates on site projects on bond website

Bond Interest to Date

Bond Interest
Elementary

\$ 1,223,000.00

Bond Interest
Secondary

\$ 1,947,250.00

Bond Set Aside

Site Set Aside Elementary	District Set Aside Elementary	Site Set Aside Secondary	District Set Aside Secondary
\$1,750,000.00	\$1,750,000.00	\$3,500,000.00	\$3,500,000.00

Site Allocation History

- Fall 2015 Site Assessments with Teter & Associates
- Community input meetings throughout the 2015-16 school year
- Steering Committee provided input into final recommendations for the Facilities Master Plan.
- Steering Committee recommended funds be distributed using a snapshot of Average Daily Attendance (ADA) in 2015-16
- All Bond fund decisions have used the percentages determined by the 2015-16 ADA snapshot

Recommended Elementary Allocation of Interest, Natural Bridges Site Balance & Site Set Aside

	Set Aside	Interest	Natural Bridges	Total Added
Bay View	\$372,750.00	\$260,653.00	\$242,820.00	\$876,223.00
Branciforte Small Schools	\$276,400.00	\$186,984.00	\$174,192.00	\$628,577.00
DeLaveaga	\$422,625.00	\$295,529.00	\$275,310.00	\$993,464.00
Gault	\$285,425.00	\$199,589.00	\$185,934.00	\$670,948.00
Natural Bridges	\$0	\$0	\$0	\$0
Westlake	\$401,800.00	\$280,967.00	\$174,192.00	\$944,511.00

This allocation reflects the original percentages determined for site allocations

Recommended Secondary Allocation of Interest & Site Set Aside

	Set Aside	Interest	Total Added
Branciforte Middle School	\$499,550.00	\$255,677.00	\$ 715,224.00
Mission Hill Middle School	\$474,600.00	\$264,051.00	\$ 738,647.00
Harbor High School	\$767,550.00	\$427,038.00	\$ 1,194,582.00
Santa Cruz High School	\$862,050.00	\$479,614.00	\$ 1,341,658.00
Soquel High School	\$936,250.00	\$520,897.00	\$ 1,457,139.00

This allocation reflects the original percentages determined for site allocation

Additional Site Allocations

Site Bond Committees will review any additional allocation to sites

Committees will recommend prioritization of resources to projects that have not yet been completed

Proposed District Set Aside Project Needs

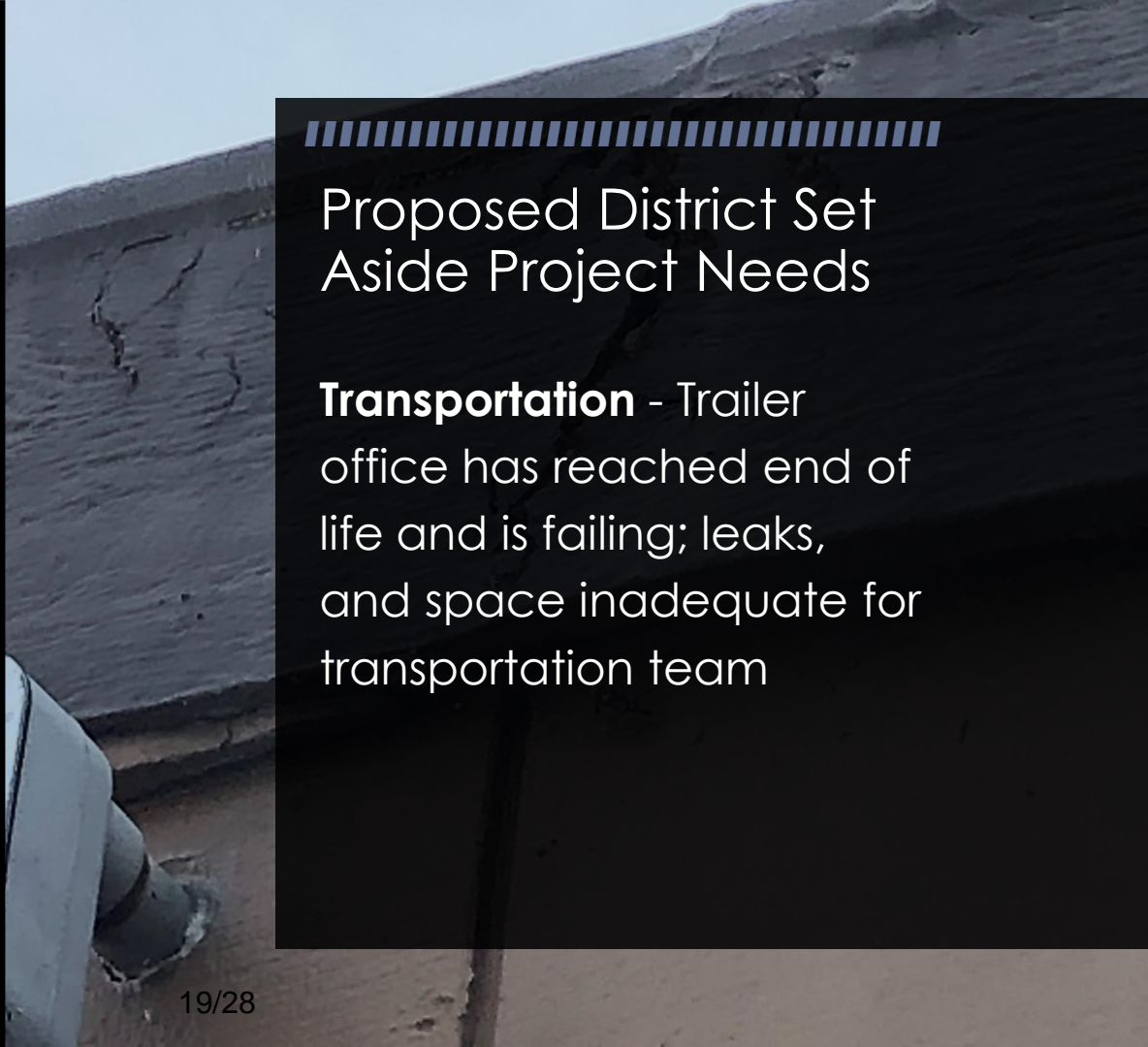
Transportation - Trailer office has reached end of life and is failing; space inadequate for transportation team

Maintenance Facility - Need new data system to align with District and County systems; parking lot is failing and loading small delivery trucks has become dangerous

Food Service Main Facility - New walk in refrigerator and freezers at Harbor and DeLaveaga central kitchen facilities; current systems are old and failing

Central Office - Americans with Disabilities Act accessibility improvement; update parking lot accessibility; entrance and bathroom accessibility projects

District Wide - Ventilation systems assessment



Proposed District Set Aside Project Needs

Transportation - Trailer
office has reached end of
life and is failing; leaks,
and space inadequate for
transportation team



Proposed District Set Aside Project Needs

Maintenance Facility - Need new data system to align with District and County systems; parking lot is failing and loading / unloading small delivery trucks has become dangerous



Proposed District Set Aside Project Needs

Food Service Main Facility

- **New walk in refrigerator and freezers at Harbor and DeLaveaga central kitchen facilities; current systems are old, failing and undersized**

Proposed District Set Aside Project Needs

Central Office - Americans
with Disabilities Act
accessibility improvement;
update parking lot
accessibility; entrance and
bathroom door accessibility
projects





Board Questions & Discussion on Bond Budget



Fund 17: Basic & State Aid Reserve Purpose

To prepare for both loss and deferred revenue due to:

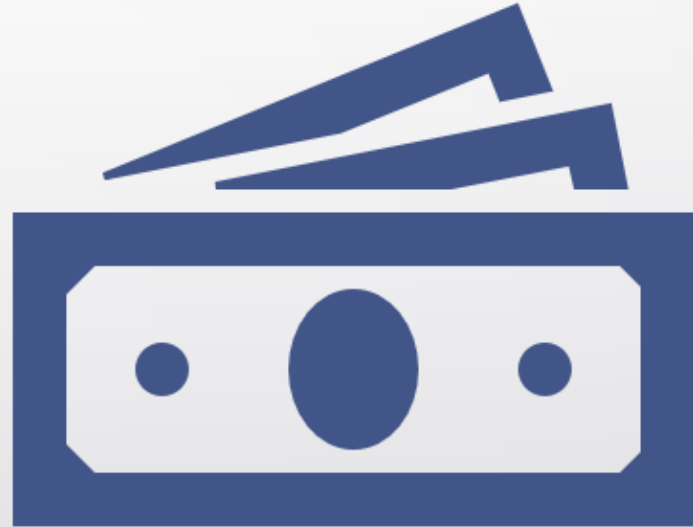
- Declining enrollment
- Anticipated funding cuts resulting from pandemic recession
- Current revenue deferrals caused by pandemic budget

Simply stated: Fund 17 is a district fund to help us weather revenue variability



Fund 17 Recommendation

Staff recommends establishing a Fund 17: Basic and State Aid Reserve to ensure the financial stability of the district.





Board Questions & Discussion of Fund 17





Facilities Rental & COVID Costs

The new Civic Permit fees coupled with state regulations on athletic facilities and youth sports has had an unintended impact on community organizations. We recommend:

- 1) Eliminate COVID cleaning fee
- 2) Work with community renters to maximize time and value of their rental agreement



Board Questions & Discussion on Facilities Fees

