

**SANTA CRUZ CITY SCHOOLS
PARCEL TAX OVERSIGHT COMMITTEE MEETING**

**Harbor High School Library
300 La Fonda Ave.
Santa Cruz, CA
Meeting of November 27, 2018
Minutes**

Call to Order

The meeting was called to order at 6:00 p.m. at the District Office. Roll call was taken.

Attendance at Meeting:

Matt Farrell, Senior Organization Representative
Carol McKee, Elementary Parent Representative
Isabelle Tuncer, Secondary Parent Representative

Absent:

Rob Darrow, Representative at Large
Linnaea Holgers, Business Community Representative

Staff:

Patrick Gaffney, Assistant Superintendent, SCCS
Catherine Meyer-Johnson, Admin. Asst., Business Services, SCCS

Public Visitors:

None.

Public Comment

None.

Agenda

Asst. Supt. Patrick Gaffney reviewed the proposed agenda. Materials distributed included: the agenda, draft Minutes for the PTOC meeting of 5/22/18, 2017-18 Unaudited Actuals Summaries for all four Parcel Tax measures, 2018-19 Budget Summaries for all four Parcel Tax measures, and a report of Measure I expenditures to date for 2018-19.

Draft Minutes for 5/22/18 PTOC Meeting

The draft minutes for PTOC's 5/22/18 were reviewed. The minutes had been sent previously to PTOC members via email. Chair Matt Farrell requested a motion to approve the minutes. The motion was made, seconded and approved. (MSP: McKee/Tuncer/3-0).

Election of Chair and Vice Chair

The PTOC Bylaws call for an annual election of the PTOC Chair and Vice Chair. Matt Farrell was elected Chair and Rob Darrow Vice Chair last year. A motion was made, seconded and approved to retain the same Members as Chair and Vice Chair. (McKee/Tuncer/3-0)

2017-18 Parcel Tax Expenditures & 2018-19 Budget Summaries

When PTOC met last May, there were not yet final figures for 2017-18. The books have now been balanced. Asst. Supt. Pat Gaffney presented the 2017-18 unaudited actuals for each Parcel Tax measure. At the May meeting, it was requested that staff prepare information showing the percentage of the total expenses allocated to each category of expense once the total expenses were finalized. Asst. Supt. Gaffney asked for clarification on what members wished to see. He suggested that final figures could also be compared to those shown on the December 2017 budget for the four parcel taxes. This calculation could also be applied to the 2018-19 budget for each parcel tax measure. Asst. Supt. Gaffney projected a sample 2017-18 unaudited actuals report and showed

how the percentage of the total expenses for the measure could be shown. He pointed out the augmentation tables at the bottom of each summary, which show how much of the total expense was contributed from the General Fund.

Members discussed the carryover variance on the 2017-18 unaudited actuals for Measure O. Carryover was anticipated, as not all positions were filled. Carryover is applied in the next year to the same categories where it remained unspent in the previous year. Sites are making plans to spend it now. This year the District will pay for additional teachers, as these expenses have been transferred over from the County Office of Education. Measure O expenses in 2018-19 will exceed revenue because sites will spend carryover.

It was noted that most of the revenue supports positions. As labor costs continue to grow, the total expense may exceed the parcel tax revenue. Measure I's General Fund 2017-18 augmentation table shows a gradual increase over the past four years. Asst. Supt. Gaffney said that the District's demographer has forecasted enrollment projections within 1% of actual enrollment for the past three years. A downward enrollment trend is predicted for the next ten years. The committee speculated that housing costs have contributed to the decline. Staff costs do not decrease. It was questioned whether a school closure might be considered relative to the decline in enrollment. Asst. Supt. Gaffney said that this is a very complex issue, and would require extensive conversation and consideration. There was discussion around understanding where the fluctuations in enrollment exist and why. At Soquel High, 150 students transferred in from Pajaro Valley Unified School District. 200 SCCS students transferred to Scotts Valley Unified School District, perhaps for the International Baccalaureate program. SCCS may consider an IB program at Harbor High.

Measure I Expenditures

The only expense for other than salaries and benefits paid from Measure I is the OPALS library software.

Future Meeting Dates

Staff have tentatively set three additional dates for PTOC meetings in 2018-19. After discussion, the three Members present agreed on the following dates, which may change if necessary. They are:

- Thursday, 1/31/19 – Measures J & P, schedule September, 2019 meeting
- Tuesday, 3/12/19 – Measure O
- Thursday, 5/9/19 – Recap of all Measures for 2018-19, draft annual report
- Sept., 2019 – Unaudited Actuals, Variance

Final Thoughts

Members agreed that Parcel Tax revenues are being spent in keeping with the Measures' ballot language. They hope that viewing the percentages will give them a better metric by which to review expenses over time. Asst. Supt. Gaffney said he would add those calculations to the 2017-18 Unaudited Actuals and the 2018-19 Budget Summaries and send it out to members via email.

Members proposed sending a thank you letter to the editor of the Santa Cruz Sentinel, to describe how the parcel tax revenues were spent and to remind people that there is an oversight committee keeping watch. Measures I and J will expire after the 2019-20 year. It was suggested that the District speak with their political consultants about the timing of the thank you letter.

Adjournment

There being no further business, the meeting was adjourned at 7:00 pm.

Respectfully submitted,

Patrick Gaffney
Asst. Superintendent, Business Services
Santa Cruz City Schools

Catherine Meyer-Johnson
Administrative Asst., Business Services
Santa Cruz City Schools