

**VENTURA COUNTY BOARD OF EDUCATION
MINUTES OF ANNUAL ORGANIZATIONAL MEETING OF
DECEMBER 10, 2018**

A. CALL TO ORDER / ANNUAL ORGANIZATIONAL MEETING

1. Call To Order, Pledge of Allegiance to the Flag, and Moment of Reflection
The Annual Organizational Meeting of the Ventura County Board of Education, Agenda No. 18-17, was called to order by Mr. Stanley C. Mantooth, Ventura County Superintendent of Schools and Ex-Officio Secretary and Executive Officer of the Board, at 6:00 p.m. on Monday, December 10, 2018, in the Ventura County Office of Education, Conference & Educational Services Center, Board Room, 5100 Adolfo Road, Camarillo. The Pledge of Allegiance to the Flag was led by Mr. Mantooth, and followed by a moment of reflection.

2. Oath of Office
The Honorable Steven Hintz, Ventura County Treasurer-Tax Collector, administered the Oath of Office to Stan Mantooth, Ventura County Superintendent of Schools.

Stan Mantooth administered the Oath of Office to:

Rachel Ulrich, Trustee, Area 1
Michael Teasdale, Trustee, Area 2
Rob Collins, Trustee, Area 4

3. Roll Call and Acknowledgement of Guests
Trustees Present:
Rachel Ulrich, Area 1
Mike Teasdale, Area 2
Dr. Mark Lisagor, Area 3
Rob Collins, Area 4
Dr. Ramon Flores, Area 5

Guests Present:
Dr. Curt Collins
Ken Hibbitts
Betsy Sanders
Debbie Sandland
Gayle Gilleth
Catherine Teasdale
Mary Free
David Maron

VCOE Personnel Present:

Stanley C. Mantooth, Ventura County Superintendent of Schools and Ex-Officio
Secretary and Executive Officer of the Board

Dr. Roger Rice, Deputy Superintendent, Student Services

Misty Key, Associate Superintendent, Fiscal and Administrative Services

Kim Uebelhardt, Executive Director, Educator Support Services

Regina Reed, Executive Director, Special Education

Sarah Galloway, Principal, Triton Academy

Dave Schermer, Director, Communications

Nancy Akkerman, Senior Executive Assistant

Roger Ruiz, Facilities Assistant

4. Approval of Agenda

Ms. Ulrich moved the agenda be approved. Dr. Lisagor seconded the motion, and the motion carried upon a unanimous vote (5:0).

5. Organizational – Election of Officers: Board President

Mr. Mantooth opened the nominations for the position of Board President for 2019. Mr. Mantooth noted that in accordance with Board Policy No. 9121, the elected president will also serve as representative to vote in election for members of the County Committee on School District Organization at the County Committee's annual meeting.

Dr. Flores nominated Dr. Lisagor as Board President for 2019. Ms. Ulrich seconded the nomination. Hearing no further nominations, Mr. Mantooth closed the nominations.

Dr. Lisagor was elected Board President for 2019 upon a unanimous vote (5:0).

Mr. Mantooth presented a plaque honoring Ms. Ulrich for her service as Board President for 2018.

Dr. Lisagor, newly elected Board President for 2019, assumed leadership of the meeting.

6. Organizational – Election of Officers: Board Vice President

Dr. Lisagor opened the nominations for the position of Board Vice President for 2019.

Ms. Ulrich nominated Dr. Flores as Board Vice President for 2019. Mr. Teasdale seconded the nomination. Hearing no further nominations, Dr. Lisagor closed the nominations.

Dr. Flores was elected Board Vice President for 2019 upon a unanimous vote (5:0).

7. Organizational – Election of Committee Representative: California School Boards Association County Board Delegate Nominee

Dr. Lisagor opened the nominations for the position of California School Boards Association County Board Delegate Nominee. Dr. Lisagor reported that he has served in this role for the past 10 years and feels that Ms. Ulrich, due to her extensive work with the CCBE Board, would be a wonderful successor.

Dr. Lisagor nominated Ms. Ulrich for the position of California School Boards Association County Board Delegate Nominee. Mr. Teasdale seconded the nomination. Hearing no further nominations, Dr. Lisagor closed the nominations.

Ms. Ulrich was elected CSBA County Board Delegate Nominee upon a unanimous vote (5:0).

8. Organizational – Set Date, Time and Place of Meetings

Mr. Mantooth presented the proposed calendar for 2019 Ventura County Board of Education meetings. Regular meetings are scheduled on the fourth Monday of each month from 6:00 – 9:00 p.m., and mid-month meetings, for the purposes of Budget Study Sessions, are held on the second Friday from 8:00 to 10:00 a.m. Only two Budget Study Sessions are proposed in 2019.

Dr. Lisagor requested that the February 25, 2019 Board meeting be moved to Tuesday, February 19th. Dr. Flores moved the Board adopt the proposed 2019 Ventura County Board of Education Calendar of meetings with the requested modification. Mr. Teasdale seconded the motion, and the motion carried upon a unanimous vote (5:0).

9. Organizational – Certification of Signatures

Ms. Ulrich moved the Certification of Signatures be adopted. Mr. Teasdale seconded the motion, and the motion carried upon a unanimous vote (5:0). Each of the Board Trustees signed the Certification of Signatures document.

B. PUBLIC COMMENTS

1. Debbie Sandland congratulated Mr. Collins for his election.

The Board adjourned at 6:27 p.m. for a Reception for Newly Sworn-in Board Trustees. Dr. Lisagor reconvened the meeting at 6:40 p.m.

C. HEARINGS

None.

D. CLOSED SESSION

None.

E. PRELIMINARY

1. Approval of Minutes of Regular Meeting of November 26, 2018.
Ms. Ulrich moved the Minutes of the Regular Meeting of November 26, 2018 be approved. Dr. Lisagor seconded the motion, and the motion carried upon a 3:0:2 vote, with Ms. Ulrich, Dr. Flores and Dr. Lisagor voting aye and Mr. Teasdale and Mr. Collins abstaining.

F. CORRESPONDENCE

None.

G. PRESIDENT'S AND BOARD MEMBERS' REPORTS

1. Dr. Lisagor reviewed Upcoming Events and noted that Board members should notify Nancy Akkerman in the office if they plan to attend any of the events.
2. Mr. Mantooth noted that the Career Education Center will have an Open House on Wednesday, December 12, 2018. Mr. Teasdale, Dr. Lisagor, and Dr. Flores will attend.
3. Dr. Flores will attend the Providence Graduation on December 17, 2018.
4. Mr. Teasdale, Mr. Collins, Ms. Ulrich and Dr. Flores will attend the Governance Training on January 5, 2019.

H. SUPERINTENDENT'S REPORT

None.

I. LEGISLATIVE REPORT

None.

J. CONSENT/ACTION

1. Mileage Expense Claim
2. Temporary County Certificates

Mr. Teasdale moved the Board approve Consent Items 1-2. Ms. Ulrich seconded the motion, and the motion carried upon a unanimous vote (5:0).

K. PRESENTATIONS

None.

L. DISCUSSION/INFORMATION/ACTION

1. 2017-18 Audit Report
Ms. Key introduced Kelly Kavanaugh of Vavrinek, Trine, and Day, Auditors. Ms. Kavanaugh reported that the introduction document notes changes that occur from year to year. There were no findings in the audit. Reports now receive a modified or unmodified opinion. This opinion was unmodified.

Management Discussion and Analysis. This portion of the report is generated by VCOE staff and was not modified.

The audit contains fund and financial statements listed by funds, reconciliations, and trends and statements. The auditor noted that the billing of special education services is effecting the cash flow of the office. Ms. Key explained that in the past, special education services were billed to the districts on a yearly basis. As the amount of revenue the office had to spend up front increased, the decision was made to begin billing districts for these services on a quarterly basis. Districts are aware of this billing change and have agreed to it. Billings for other fee for service contracts such as transportation, will also be billed to the districts on a quarterly basis. There is a little more administrative burden to process these billings quarterly but it is needed to maintain adequate cash balances. School districts appreciate the more frequent billings as it gives them more timely access to the actual program cost.

Mr. Collins asked if charter schools are financially audited. Mr. Mantooth explained that charter schools are required to get their own audits and can determine the firm they use for that audit. Programmatic audits provided to the Board focus primarily on the charter school's educational program but also include a multi-year budgetary projection.

Mr. Collins moved the Board accept the 2017-18 Audit Report for the Ventura County Office of Education as presented by Vavrinek, Trine and Day, Auditors. Mr. Teasdale seconded the motion, and the motion carried upon a unanimous vote (5:0).

2. Budget Revision #1

Mr. Mantooth noted that the Budget revision includes information on changes that have occurred since the Board adopted the budget in June. The First Interim Report includes this information as reported to the State. Ms. Key noted the First Interim Report includes actual beginning balances for 2018-19 and is due to the State by December 15, 2018. Ms. Key reviewed various funds and noted changes.

SELPA. The SELPA fund includes updated beginning balance; revenue and expenses and an updated ending balance. SELPA carried forward \$6.6 million that will be sent back out to the school districts. The amount to be transferred in 2018-19 to be spent on Special Education has not yet been determined.

Student Services. The Career Education Center fund includes the final revenues from two grants (Career Pathways and CTEG) which must be spent by June 30, 2019. These grants were received in a consortium with all school districts and funds will go to those districts. \$14 million in revenue and expenditures are reflected in the budget. Mr. Teasdale asked about continuing funding for this work. Ms. Key noted that the Governor has indicating ongoing funding will be allocated but the actual amount is not yet known.

Educational Services. The Office is currently receiving \$1.2 million for LCAP Oversight and Support. Four districts have been identified for Differentiated Assistance. This funding is provided to support those districts and others. Funding includes a base amount plus an amount based on the number of districts identified and their ADA. The funding will be based on a three year average. This is new funding for services that have been previously provided by the Office.

Mr. Teasdale asked if this is an unfunded mandate. Mr. Mantooth noted that the services began in the 13-14 school year, but this is the first year of funding. The funding is not sufficient, but it is a service the Office would provide regardless. Staffing was reallocated for this work – three reassigned Directors assist with the program and a Director of Research and Data Analyst position was added.

Districts are using their successes to assist other districts by sharing best practices. Analytics are used to find those schools and/or districts that are experiencing significant growth and identify what efforts are successful. Of the four districts identified last year, two were able to exit Differentiated Assistance this year.

Mr. Teasdale asked about the nature of the interventions. Mr. Mantooth noted that the Office acts as a resource for the district, assisting in research to determine what is and isn't working. The districts write their own plan for improvement. The intervention is cooperative and assistance continues after the district exits Differentiated Assistance.

Fiscal and Administrative Services. There have been no significant budgetary changes. Beginning balances are noted. The Office had anticipated \$18 million in ending fund balance for 2017-18, but it was actually \$16.6 million.

Ms. Ulrich asked about VCFAST. Ms. Key explained that a JPA Courier Services used to operate with its own budget and accounting. This JPA has been dissolved and the expenses are now contained within the VCOE budget. The cost is \$122,000. Indirect costs, commonly known as overhead, are also listed. Districts pay for this service.

Ms. Ulrich asked where the revenues for facilities come from. Ms. Key noted that there is some income from the rental of rooms but the cost to maintain and operate facilities, new construction, updates, etc., are received through the LCFF. The Office has to contribute 3% of the unrestricted general fund expenses towards routine maintenance of VCOE facilities.

Mr. Collins moved the Board approve Budget Revision #1 as presented. Mr. Teasdale seconded the motion, and the motion carried upon a unanimous vote (5:0).

3. First Interim Report

It was noted that the explanatory materials for this item was incorrectly excluded from BoardDocs. The materials were electronically added during the meeting. Ms. Key provided a detailed explanation of the materials.

Page 5, Revenue and Funding and a 3-year Projection of the Office Finances. The Community School program ADA was estimated to be 108 and is now 105. Special Education ADA was estimated at 562 and is now 532. Changes were made to address the loss of ADA. A classroom was collapsed and a teacher who was on leave was moved to another program. Estimated revenue was based on 41 more students. Countywide, enrollment is down 2,000 students. VCOE receives funding based on total county enrollment as well as on the total number of students we directly serve.

The VCOE payroll is approximately \$6 million per month. Interfund borrowing within the general fund is utilized to maintain a positive cashflow on a quarterly basis. Quarterly billing will help with these cashflow issues. May and August are often affected by federal funding which can be very delayed, often coming after the year is complete. School districts do occasionally borrow funds to meet cashflow needs. This type of cash loan is called TRANS but there are interest expenses to issue a TRAN.

Page 8, Total General Fund Budget. Projected year totals, shown in Column D, are the adopted First Period Interim Report. The total expenditures will be \$115 million. Other State Revenue of \$4.6 million is the State Grant. Total expenditures were estimated at \$111 million, final amount \$115 million.

Page 33, Special Education Pass Thru Fund. These funds are very restricted. \$93 million in revenue comes in and the exact same amount is passed thru to the districts. This is listed separately from the Office special education program.

Child Development Fund, estimated to receive \$2.6 million

Forest Reserve Fund. The Office and three districts receive a small amount of revenue based on Forest land within the boundaries. Funds are passed through.

Reserve Fund. This fund has been dedicated to restore the revenue for funds set aside to pay off the COP for this Conference Center. \$1 million per year is planned to be transferred to this fund until the COP is paid off in 2021. The fund will start the year with \$10.2 million, and end with \$11.2 million. Retiree benefits are also included in this fund. Ms. Key noted that payroll costs \$6 million per month; the Office would like to have three months' worth of payroll in reserves.

Facilities Fund. Includes \$21 million to pay for the construction of the Samples Educational Services Center located next to this building.

Special Reserve Fund for Capital Outlay. The main activity in this fund is Redevelopment Agency funds that are passed thru.

Debt Service Fund. This fund includes funds transferred to pay off the debt issued to build this Conference Center. The annual debt service is paid from this fund and there is enough balance to pay off the debt. The debt is fully defeased.

Multi Year projections. As costs of STRS/PERS and medical benefits increase, our projected ending balances decrease. The results shown on this page reflect the multi year projected balances if the Office does not reduce expenses or increase revenues. The debt service is not reflected in this amount - \$1 million to restore the reserves will go away in 2021. Lower ADA is included in the projections. The Office anticipates adjustments to expenses to maintain fiscal solvency.

Criteria and Standards (pages 82-105). Criteria and Standards are a list of parameters that are stipulated to determine the future health of the agency. Standard deviations are listed. If the Office is above or below the standard deviations, an explanation must be provided. For ADA the standard deviation is less or more than 2%. This was not met, because ADA is changing -6.5%. An explanation is provided.

Reserves. The State wants LEAs to have a 2% reserve. For our office, a 2% reserve would be \$2.4 million which would not even fund a month of payroll. The Office would prefer to have 2-3 months of payroll in reserve: \$12-\$18 million.

Ms. Ulrich asked about declining enrollment. Will VCOE see less students sent to Gateway due to declining enrollment? Mr. Mantooth noted that yes, there are less students coming to Gateway; and districts will make a greater effort to maintain and service their students.

Ms. Ulrich moved the Board acknowledge review of the First Interim Report with the Superintendent's positive certification. Dr. Flores seconded the motion, and the motion carried upon a unanimous vote (5:0).

4. Resolution No. 18-10, Full and Fair Funding of California's Public Schools
California School Boards Association (CSBA) has requested that school districts and county offices of education consider adopting a resolution in support of Full and Fair Funding of California's Public Schools. 600 school districts have adopted this resolution. Ms. Ulrich moved the Board adopt Resolution No. 18-10, Full and Fair Funding of California's Public Schools. Mr. Teasdale seconded the motion, and the motion carried upon a unanimous vote (5:0).

M. BOARD MEMBER COMMENTS

1. Dr. Flores congratulated Mr. Collins and Mr. Teasdale on their election and indicated that he looks forward to working with them.

2. Mr. Collins expressed his excitement to be back on the Board and he looks forward to the future.
3. Mr. Teasdale reported that he too welcomes the opportunity to serve on the Board. He attended the CSBA Annual Conference and found it very informative.
4. Ms. Ulrich added her congratulations. In addition, she reported that she has read that there are new laws regarding charter schools and for-profit issues.
5. Dr. Flores thanked Ms. Ulrich for her willingness to serve as the CSBA County Delegate Nominee.

N. FUTURE AGENDA ITEMS

1. Charter School Annual Programmatic Audits:
 MATES – January 2019
 Bridges Charter School – February 2019
 River Oaks Academy – March 2019
 Ventura Charter School – March 2019
2. Charter School Renewals:
 MATES – January / February 2019

N. FUTURE MEETINGS

Per the adopted 2019 Ventura County Board of Education Calendar of Regular meetings (Agenda Item A.8), future meetings are as follows:

Date: Monday, January 28, 2019
 Time: 6:00 p.m.
 Location: 5100 Adolfo Road, Board Room, Camarillo
 Purpose: Regular Meeting of the Board

Date: ***Tuesday, February 19, 2019***
 Time: 6:00 p.m.
 Location: 5100 Adolfo Road, Board Room, Camarillo
 Purpose: Regular Meeting of the Board

O. ADJOURNMENT

Dr. Lisagor adjourned the meeting at 7:58 p.m.

Minutes Approved by Board Action on 01/28/19.

*Board meetings are recorded by audio tape pursuant to Government Code Section 54953.5(b).
 Copies of these audio tapes are available by request to this office at (805) 383-1900.*