

January 23, 2019

Randy Kenyon, Assistant Superintendent Business Services  
Los Altos School District  
201 Covington Road  
Los Altos, CA 94024

cc: LASD Board of Trustees

Dear Randy:

As you are aware, over the past several years the Citizens Advisory Committee on Finance has monitored and studied carefully the capital needs and resources of the Los Altos School District. In 2017 and again in 2018 we reported to the Board that building repair and replacement expenses were impinging on the District's operating budget and recommended steps to ameliorate the situation. We have reached the point that the balance of the Maintenance Fund is zero.

The LASD physical infrastructure is more than adequate and has been well maintained. However, on average our buildings are 70 years old and were modernized 15 to 20 years ago. Steadily increasing repair and replacement costs are inevitable under these circumstances. These expenses will put increasing pressure on annual budgets.

The District has a unique opportunity with the monies from Measure N to establish as soon as possible a sinking fund to cover maintenance. This opportunity is unlikely to come around again in the foreseeable future. Measure N authorizes "*preserving quality small neighborhood schools, upgrading classrooms and labs to keep them safe, clean and in good repair.*"

We are recommending that you establish as soon as possible with the monies from Measure N a sinking fund of \$10 million to cover a portion of expected building repair and replacement costs over the next 10 years. Additionally, we recommend funding be allocated for an updated facilities and maintenance plan.

Establishment and use of a sinking fund with Measure N resources is a responsible way to address the situation and help preserve -the new Measure N and existing - District facilities without burdening the direct delivery of education services to our students.

Respectfully submitted,

Curtis Cole, Chair  
On behalf of CACF