



MEASURE E OVERSIGHT COMMITTEE

January 29, 2018

MINUTES

Committee

Members Present: John Elginer
Jay Esban
Jay Lieberman
Adam McArthur
Catherine Nelson
Ted Paul

Committee

Members Absent: Hannah Kukurudz

Also Present: Kristine Torres, Director of Accounting

The meeting was called to order at 5:39 p.m.

Introduce New Committee Member

Adam McArthur was introduced as a new member of the committee. His term runs from December 2017 through December 2019.

State/District Budget

Ms. Torres explained to the committee that the State of California would likely fully fund the Local Control Funding Formula (LCFF) based on the projected state budget in 2018/19. Initially, the Governor's plan was to fully fund the LCFF in 2021/22. In addition to the early implementation of full funding for the LCFF, the state would likely grant one time funds to districts in the 2018/19 budget. Ms. Torres went on to say that the current financial recovery is the second longest on record, but that state officials caution a recession is likely in the future. She indicated that the second interim budget would be presented in March and would reflect adjustments to the budget.

Ms. Torres showed the committee a report from the California School Boards Association (CSBA), which indicated that in many areas California ranks 41st to 48th among the 50 states in terms of dollars spent on education per student. She added that LVUSD receives fewer dollars compared to other districts in the state due to a smaller number of students in the District which qualify for supplemental funds.

Mr. Elginer asked about the state mandated employer contribution increase to the pension fund. Ms. Torres stated that over the next five years the mandatory increase would mean the District's contribution to the pension fund would rise to 26% of the salary for employees. In dollars, the impact means the District's contribution would increase from a norm of \$5M to \$14M annually by 2020/21. Ms. Nelson stated that she has heard discussions about a possible change to Proposition 13, or a change in the business tax.

Parcel Tax Budget

Ms. Torres began by stating that based on previous feedback from the committee the District had reallocated the distribution of funds more evenly across elementary, middle and high schools. She commented that the District conservatively kept the donation line item within the current budget at \$22K. Ms. Torres stated that the total projected revenues for 2017/18 were projected to be \$2.285M. Based on committee feedback, the reserve level remains at 3% of the total budget equaling approximately \$68K.

Mr. Elginer asked if there had been any backlash to the committee's recommendation to remove the athletic facility utility costs from the parcel tax budget. Ms. Torres answered that there had not been any negative feedback. Mr. Elginer questioned if the district noticed an increase in the number of seniors seeking an exemption. Ms. Torres answered that the number of exemptions has increased versus prior years. Mr. Lieberman commented that many people these days move laterally within an area, and that currently residents who are retired are less likely to move to smaller residences; thereby not freeing up existing housing stock for new families moving into the area. He added that in years past the trend was for families to move every four years, and that now the trend is to own the same home for 10 years or more.

Ms. Torres stated that the amount of parcel tax that has been collected by Los Angeles County so far this school year is approximately \$995K. She detailed the historical percentage of the tax that is collected by month. Mr. Elginer asked if the numbers provided included the December collections. Ms. Torres responded that it did. Mr. McArthur asked if there is a lag time between when the county receives the funds and when those funds are reported to LVUSD. Ms. Torres responded that the funds are deposited into the District's account held at the county. Mr. Lieberman asked if there is a separate account specific for the parcel tax funds. Ms. Torres answered that the funds are deposited into a separate parcel tax account in the district's general fund and that the accounting department moves the funds into a separate resource code/cost center specific to the parcel tax.

Parcel Tax Report

The Parcel Tax Report for June 2017 was provided to the committee. The report was provided to the Board of Education during the Measure E Annual Report to the Board of Education on October 3, 2017. The committee requested clarification as to when delinquent taxes are paid to

the District. Additionally, the committee requested the District find out if the parcel tax assessment is paid when a foreclosed property is sold.

Review Donation Request Letter

The committee reviewed the donation request letter that is sent annually to families of students who reside outside of the district's boundaries. As was done in the spring of 2017, the letter indicates that families that make a donation by a specified date would have their name included in the gift list at a future board meeting. It was agreed that the updated version would be sent to all committee members for a final review before the letter is sent to families. The letter will be sent in February of 2018.

Citizen's Refund Request

The committee approved a refund request for a senior citizen of Westlake Village. The citizen claimed that when she purchased her new home she was informed that she should not submit an exemption form until the county assessors statement is received. In doing so, she missed out on submitting the exemption form prior to the deadline.

Future Meetings

- April 23, 2018 at 5:30 p.m.

The meeting adjourned at 6:25 p.m.