



MEASURE E OVERSIGHT COMMITTEE

January 9, 2017

MINUTES

Committee

Members Present: Jack Colman
John Elginer
Jay Esban
Jay Lieberman
Catherine Nelson
Ted Paul

Committee

Members Absent: Hannah Kukurudz

Also Present:

Karen Kimmel, Assistant Superintendent-Business
Kristine Torres, Director of Accounting

The meeting was called to order at 5:49 p.m.

State/District Budget

Ms. Kimmel reviewed with the committee the First Interim Budget Report that was provided to the Board of Education in December 2016. She highlighted changes to the budget since the board adoption in June 2016 including: additional funds received due to increased enrollment, an increase in staffing costs stemming from the additional enrollment, funds received through a Proposition 39 (Prop 39 Energy) grant of \$565K, and associated costs of the HVAC and LED upgrades. She explained that over the past five years, the District has received approximately \$500,000 per year from Prop 39 funds to be invested in energy efficient systems. In order to utilize the funds, districts must prove a 5% return on investment. After reviewing the changes, Ms. Kimmel pointed out that the First Interim Budget Report shows a net improvement of \$425,000.

Mr. Elginer asked if the increase to enrollment and staffing is normal. Ms. Kimmel responded that going forward the goal is to maintain the current enrollment numbers, but noted that enrollment numbers can shift up or down slightly each year. She noted that the enrollment numbers for Calabasas High School are back up to their levels from nearly 10 years ago. She continued that when developing the annual budget the District uses conservative enrollment numbers. Mr. Colman asked if it is difficult to get new teachers when enrollment changes over the summer. Ms. Kimmel responded that the District typically has a good response when teaching positions are posted.

Mr. Lieberman asked about the restrictions in the budget. Ms. Kimmel stated that there are restrictions to some of the funds. She stated that the projected ending fund balance is \$26.87M, with \$3.64M restricted, \$7.28M unrestricted (but earmarked for future needs) and \$15.95M unrestricted. Ms. Kimmel provided examples of money that is earmarked for the future use such as textbook adoptions, software upgrades and other expensive one-time items. Mr. Paul asked if the First Interim Budget Report was certified as positive. Ms. Kimmel answered yes, and that as long as districts can meet reserve levels, districts are considered positive certifications.

Ms. Kimmel explained to the committee about the pension reform for school districts that is being mandated by the State of California. School districts will be required to increase contributions to pension funds due to underfunding. The mandated contribution will be increased from 8.25% to 19% by 2020-21 for CalSTRS, and from 11% to 28% for CalPERS. Mr. Elginer asked if the current 8.25% is a standard percentage. Ms. Kimmel stated that the percentages are legislated. He went on to ask if all districts are in the same situation. Ms. Kimmel responded affirmatively.

Parcel Tax Report (Fiscal Year 2015-2016)

Ms. Kimmel presented the Parcel Tax Report completed by SCI Consulting for the 2015-2016 fiscal year. The report details the beginning and ending fund balance, as well as the revenues expenses for the 2015-2016 school year. Additionally, the report includes a projection for the 2016-2017 school year. Ms. Kimmel noted that the report is not an audit of the funds, but a summary report. Mr. Lieberman asked if the delinquency rate has remained the same over the past several years. Ms. Kimmel stated it was. Ms. Kimmel explained that the report would be shared with the Board of Education when the Measure E Oversight Committee presents their annual report.

Parcel Tax Budget

Ms. Torres summarized the parcel tax budget for the committee. The report included information as of 12/31/16. She stated that the expected revenue of \$2.29M is in line with previous years. Ms. Torres continued that the projected expenditure is the same as the prior year. She noted that the athletic facility use cost increased by \$15K, and that based on the budget there would be an overall decrease to the reserves of \$50K. She commented that if the projected allocations remain as is, then the minimum 3% reserves level called for by the committee would be short by approximately \$20K. Mr. Paul asked why the athletic facility use cost went up by \$15K. Ms. Kimmel stated that overall the utility costs have gone up. She asked if the committee

wanted to drop the projection for that line item by \$20K in order to be in line with the suggested 3% reserves. After a short discussion, the committee unanimously voted to reduce the projected athletic facility use cost to \$175K in order to meet the 3% suggested reserve level.

Ms. Torres continued that to date the District has received \$956K from Los Angeles County and \$3K from Ventura County. She explained that the District has expended \$946,300 and that there is \$1.4M remaining in the parcel tax budget.

Ms. Nelson inquired about the purpose of the co-curricular stipend. Ms. Kimmel responded that the stipend is for athletic directors, drama and theater teachers, and after-school program stipends. Mr. Lieberman questioned why there were no funds allocated to the College and Career Centers. Ms. Kimmel responded that currently the district funds the College and Career Centers from the general fund instead of the parcel tax budget.

Annual Donation Letter

The committee reviewed a donation request letter that is sent annually to out-of-district families. The letter is a donation request to match the \$98 parcel tax that families in the district pay annually. The committee made suggestions to edit the letter, which will be sent out during the month of January.

Annual Report to the Board of Education

A draft of the annual report to the board was provided to the committee for review. The committee decided to present the report to the Board of Education during the board meeting on February 7, 2017.

Future Meeting:

- April 3, 2017 at 5:45pm

The meeting adjourned at 7:14 p.m.