

LAS VIRGENES UNIFIED SCHOOL DISTRICT

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BOARD OF EDUCATION

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SUPERINTENDENT

LAS VIRGENES UNIFIED SCHOOL DISTRICT

FINANCE COMMITTEE MEETING MINUTES

May 24, 2019

Present: Dallas Lawrence, Board Representative (by phone)
Linda Menges, Board Representative
Dan Stepenosky, Superintendent
Karen Kimmel, Assistant Superintendent – Business
Clara Finneran, Assistant Superintendent – Education
Rose Dunn, Assistant Superintendent – Human Resources
Kristine Torres, Director of Accounting
Craig Hochhaus, President – LVEA
Tim Carty, Managing Director – Piper Jaffray

The meeting was called to order at 9:16 AM at the Las Virgenes Unified School District, 4111 Las Virgenes Road, Calabasas, CA 91302.

Child Nutrition Lunch Prices

Ms. Kimmel shared that there has been an increase of 36% in the overall cost of our lunch components. Meal prices have not been raised since 2013 and so the district is looking at raising prices 50 cents to 1 dollar. Ms. Kimmel shared that this increase is comparable to other districts nearby and that the district is concerned with their ability to keep the Child Nutrition Program fiscally solvent.

Mr. Lawrence asked how many unique students are served in a day and Ms. Kimmel responded that approximately 1300 meals are served each day. Some students have both breakfast and lunch, so they are unable to gauge exactly how many individuals are being served. Dr. Stepenosky stated that only the students who purchase lunch (not those on reduced or free lunch) would see an increase. Mr. Lawrence asked if the Board needs to vote on this issue and Ms. Kimmel said that they do. Ms. Menges proposed a 50 cent increase for next year and then revisit the issue. Mr. Lawrence stated that he would rather do a one-time larger raise of 1 dollar to be done now. Dr. Stepenosky stated that the district could raise prices 50 cents and then revisit in 2 years to see if it needs to go up again. The committee agreed and Ms. Kimmel will work on messaging.

Center EdX Update

Ms. Kimmel shared the Center EdX overview for next year. She shared that there are three programs being run through Center EdX: Teacher Induction, Clear Admin and Preliminary Admin. Ms. Kimmel also shared that there is an overall benefit to the district of \$140K. This will vary from year to year based on program enrollment.

Complaints/Challenges

Ms. Kimmel shared some ADA/OCR challenges that the District is facing. The District has received complaints from an Agoura High School parent demanding changes to the school. It is challenging because the school was in compliance when it was built, but laws have now changed. The District has made many modifications but is still working on finalizing a plan for the visitor bleachers at the football field.

Ms. Kimmel also shared that District staff is working on numerous uniform complaints from a San Diego attorney, Sally Smith. The District has clarified information but has also needed to resolve some issues such as the communication regarding fees. Ms. Kimmel shared that her department is working with staff at various sites to ensure all information is communicated clearly and correctly.

Bond Financing

LVUSD Financial Advisor, Tim Carty with Piper Jaffrey, presented a review of past general bond obligations (GO bonds) and an overview of the basics of GO bonds looking forward to the committee. Mr. Carty explained that LVUSD currently has two GO bonds outstanding. In summary:

- Measure R, approved by 79.7% of voters in November 1997
- \$93.1 million capacity
- \$45.10 current tax rate per \$100,000 valuation

- Measure G, approved by 64.10% of voters in November 2006
- \$128 million capacity
- \$29.75 current tax rate per \$100,000 valuation

Mr. Carty shared the current bond rates for LA County school districts, which ranged from \$180 - \$23 per \$100k (as compared to LVUSD \$74.85). Mr. Lawrence asked about neighbor Ventura County districts, and Mr. Carty mentioned that he worked with both Conejo and Oak Park, and would be able to provide those comparisons when he presents information to the Board of Education in July. He pointed out that each bond series has a \$60 maximum tax rate per \$100k.

Mr. Carty shared that LVUSD has been proactive in the recent past, refinancing four different bond series, generating \$11 million in savings to taxpayers for their efforts. He then went on to share the

basic overview that GO bonds require four affirmative board member votes to be placed on the ballot, require 55% passage rate, and once passed require a citizen's bond oversight committee. Ms. Kimmel clarified that our current oversight committee could revise their bylaws and oversee a potential new measure. Mr. Carty explained the size of a bond is constrained by two factors: the district's statutory bonding capacity and the projected tax rate per \$100,000. It is most common to request an amount of funds consistent with an updated Facilities Master Plan. Dr. Stepenosky reviewed the District's plan for engaging an architect pursuant to the recent RFP to generate a current Master Plan.

Mr. Carty shared the district's historic growth in assessed valuation (AV) which has averaged 4-5% over the past 28 years. He went on to share with the committee, the potential capacity of bond authorization ranging from \$256 million (\$30 per \$100k AV) to \$512 million (\$60 per \$100k AV). Ms. Menges inquired about what Conejo Valley recently did with their 2014 bond measure. Mr. Carty explained that Los Angeles County does not approve the same funding processes as Ventura County. CVUSD was able to pause on making payments on their new bonds until their 1997 bonds rolled off the tax rolls. This required prefunding the interest on their new bonds and deferring payments (utilizing Capital Appreciation Bonds). This enabled them to avoid overlapping taxes for multiple GO measures. The LVUSD community will be paying on Measure R bonds through the 2025-26 fiscal year.

Mr. Carty outlined another option for the district to consider, which would entail the issuance of "Bond Anticipation Notes" which would effectuate an advance on the first bond issuance. The committee had a long discussion regarding the cost of this advance and determined it would not be in the best interest of taxpayers.

The committee thanked Mr. Carty for his presentation and mentioned they were looking forward to having him share this information with the full Board at the July Board meeting.

2019/2020 Budget

Ms. Torres shared the net operating deficit. This year, the District will have a 1.3M improvement due to vacancies and grant funds. Next year, the District is expecting a 5.4M operating loss and the year after that, they are expecting a 9.1M operating loss. This is before one-time money.

Ms. Torres shared information regarding the mental health reimbursements. The District used to receive 100% reimbursement. This year they received 50% but next year they will receive 0. That creates an extra \$700K loss to the district. The SELPA allocation is being reduced as well. She also spoke about the Pension Assistance Proposal which is proposing 17.1% for 2019/2020 and 18.1% for 2020/2021. This will be updated with true rates once the state budget is approved in June. Ms. Kimmel shared the timeline for state and district budget adoptions.

Proposed Meeting Dates 2019/2020

Friday, August 30, 2019 – 11 am

Friday, November 15, 2019 – 9:15 am

Friday, January 31, 2020 – 9:15 am

Friday, February 28, 2020 – 9:15 am

Friday, April 24, 2020 – 9:15 am

Friday, May 22, 2020 – 9:15 am

The meeting adjourned at 12:13 pm.