

**PORTOLA VALLEY SCHOOL DISTRICT
MEETING OF THE CITIZENS' PARCEL TAX
OVERSIGHT COMMITTEE**

October 7, 2019 at 4:30 P.M.
Room 102 Corte Madera School
4575 Alpine Road, Portola Valley, CA 94028

MEETING AGENDA

- | | |
|--|-----------|
| 1. CALL TO ORDER | 4:30 P.M. |
| 2. APPROVAL OF AGENDA | |
| 3. OPEN FORUM | |
| 4. INTRODUCTION OF COMMITTEE MEMBERS | 4:35 P.M. |
| 5. REVIEW THE PURPOSE OF THE CITIZENS'
PARCEL TAX OVERSIGHT COMMITTEE | 4:40 P.M. |
| 6. REVIEW 2018-19 PARCEL TAX REVENUES
AND EXPENDITURES | 4:50 P.M. |
| 7. REVIEW 2018-19 PARCEL TAX AUDIT REPORT | 5:10 P.M. |
| 8. REVIEW PROJECTED GENERAL FUND BUDGET (Information Only) | 5:30 P.M. |
| 9. DISCUSSION OF COMMITTEE REPORT TO THE BOARD | 5:40 P.M. |
| 10. ESTABLISHMENT OF NEXT MEETING DATE | 5:45 P.M. |
| 11. MEETING ADJOURNMENT | 5:50 P.M. |

PLEASE NOTE: Auxiliary aids are available for individuals with disabilities who wish to attend public meetings of the Portola Valley School District. Auxiliary aids are also available to assist individuals with disabilities with printed or other visually delivered materials associated with these meetings. For further information about these aids, please contact Connie Ngo, ADA Coordinator for the Portola Valley School District at (650) 851-1777, ext. 2560 or by email at cngo@pvsd.net.

AGENDA ITEM #5

**REVIEW THE PURPOSE OF THE CITIZENS'
PARCEL TAX OVERSIGHT COMMITTEE**

Measure O

The Charge of the Citizens' Parcel Tax Oversight Committee

“To insure additional accountability, an independent community oversight committee shall be appointed by the Board of Trustees to oversee all expenditures funded by Measure O to ensure that said funds are spent wisely and used only for purposes approved by the voters. The oversight committee shall report on an annual basis to the community on how these funds have been spent.”

Measure O Overview

- \$581/parcel for 8 years(7/1/2013 – 7/1/20)
- Senior exemption for those 65 and older
- Citizen Oversight Committee

Ballot Language (Short Version)

“To protect quality education in local elementary/middle schools, with funds that cannot be taken by the State and maintain quality science, math, reading/writing instruction, retain qualified/experienced teachers, minimize class size increases, support music/art programs, develop advanced programs in engineering/technology, shall Portola Valley Elementary School District extend expiring school parcel taxes for eight years, increase rates by \$123 annually, with senior exemptions, independent citizen oversight, no money for administrator salaries, all funds staying local?”

Measure O Text Regarding Use of Parcel Tax Funds

Shall the Portola Valley School District be authorized to renew and increase a qualified special tax that will:

- a. Maintain quality science, math, reading/writing instruction
- b. Retain qualified/experienced teachers
- c. Minimize class size increases
- d. Support music/art programs
- e. Develop advanced programs in engineering/technology

AGENDA ITEM #6

REVIEW 2018-19 PARCEL TAX REVENUES AND EXPENDITURES

Portola Valley School District 2018-19 Parcel Tax Expenditures Report

BACKGROUND

On May 7, 2013, the Portola Valley voters approved Measure O – the Portola Valley Elementary School District Parcel Tax – in the amount of \$581 per parcel. This parcel tax for the Portola Valley School District (“District”) replaced and consolidated two expiring education parcel taxes, Measure C and Measure D. Measure O will continue to support high academic achievement in math, science, reading, writing, and technology; attract and retain highly qualified teachers; support music/art programs; and provide ongoing teacher training. The voters authorized a Parcel Tax of \$581 per year for 8 years, including an independent community oversight committee, an exemption for senior citizens and disabled persons, and a commitment that no funds will be used for administrator salaries or benefits and that all funds stay in this community to promote student achievement. Specifically, the Parcel Tax proceeds will support the following purposes:

- Maintain quality math, science, reading and writing instruction;
- Develop advanced programs in engineering and technology;
- Keep class sizes small;
- Support art and music programs; and
- Retain qualified/experienced teachers

INCOME

The parcel tax of \$581 per parcel was recorded for 2018-19. There were 2,786 available parcels. There were 703 exemptions on the tax roll; The net amount received from the parcel tax in 2018-19 was \$1,205,522 which is approximately 8 percent of the total general fund revenues. The table below shows the derivation of the parcel tax revenue in 2018-19:

2018-19 Parcel Tax Revenue		
	Parcels	Revenues
July 2018 Roll @ \$581	2,782	\$ 1,616,342
July 2018 Roll @ \$145.24	4	\$ 581
Less Exemption	(703)	\$ (408,443)
Total Assessment	2,083	\$ 1,208,480
County Collection Fees (\$1.42 per parcel)	2,083	\$ (2,958)
Net Revenue		<u>\$ 1,205,522</u>

EXPENDITURES

As previously stated, the 2018-19 parcel tax was designated for the following areas of expenditure: maintain quality math, science, reading and writing instruction; develop advanced programs in engineering and technology; keep class sizes small; support art and music programs; and retain qualified/experienced teachers. The parcel taxes paid for about 8.0 FTE teaching positions. The District has 48.13 FTE certificated positions which include classroom teachers, two counselors and one psychologist in 2018-19. Please see **Exhibit A** for Class Size Reduction Teacher calculations.

The table below shows the expenditures from the parcel tax in 2018-19.

2018-19 Parcel Tax Expenditures		
Expenditures	Full Time Equivalent	Allocation
Science Teacher	1.0	\$ 151,600
Math Teacher	2.0	\$ 238,343
Music Teacher	2.0	\$ 343,870
Reading Teacher	1.0	\$ 141,522
Class Size Reduction Teachers	2.0	\$ 330,188
Total Expenditures	8.0	\$ 1,205,522

The revenue and expenditure data in this report were audited by the District's external auditor, Vavrinek, Trine, Day & Co., LLP, and no exceptions were found. The auditor's report is available for review in the Business Office. The partner of the firm, Ms. Joyce Peters, discussed the audit procedures and results with the district's Parcel Tax Oversight Committee on October 7, 2019.

EXHIBIT A

Class Size Reduction Teachers 2018-19

SCHOOL	GRADES	2018-19 Enrollment As of 9.6.18	Actual Classroom Teachers (full time equivalent)	Actual Class Size	Class Size Allowed	Classroom Teachers Required	Additional Teachers due to CSR
			(a)			(b)	(a) - (b)
ORMONDALE	TK	12	1.00	12.00	25.00	0.48	0.52
	K	63	3.00	21.00	26.00	2.42	0.58
	1	67	3.00	22.33	29.00	2.31	0.69
	2	56	3.00	18.67	29.00	1.93	1.07
	3	67	3.00	22.33	29.00	2.31	0.69
CORTE MADERA	4	62	3.00	20.67	29.00	2.14	0.86
	5	71	3.00	23.67	29.00	2.45	0.55
	6,7,8 *	176	15.33	11.48	29.00	8.37	6.96
TOTAL DISTRICT		574	34.33			22.41	11.92
Funded by Parcel Tax							8.00
Funded by General Fund							3.92

* Class sizes for core classes are smaller then elective classes

The following positions were not included in the counts above:

	Ormondale	Corte Madera	Total
Literacy Intervention	1.40	0.60	2.00
Spanish	0.80		0.80
Physical Education	1.00		1.00
Speech & Language	0.50	0.50	1.00
Science	0.83	0.17	1.00
Music	0.83	0.17	1.00
Counselor	1.00	1.00	2.00
Psychologist	0.50	0.50	1.00
Special Education	1.00	3.00	4.00
	7.86	5.94	13.80
Total positions			48.13

AGENDA ITEM #7

REVIEW 2018-19 PARCEL TAX AUDIT REPORT

PORTOLA VALLEY SCHOOL DISTRICT

**MEASURE O PARCEL TAX
FINANCIAL REPORT AND PERFORMANCE AUDIT**

**FOR THE YEAR ENDED
JUNE 30, 2019**

PORTOLA VALLEY SCHOOL DISTRICT

**MEASURE O PARCEL TAX
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2019**

**PORTOLA VALLEY SCHOOL DISTRICT
MEASURE O PARCEL TAX**

**TABLE OF CONTENTS
JUNE 30, 2019**

FINANCIAL SECTION

Independent Auditor's Report	1
Measure O Parcel Tax	
Statement of Revenues and Expenditures	3
Notes to Financial Statements	4

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	8
--	---

SCHEDULE OF FINDINGS AND RECOMENDATIONS

Financial Statement Findings	11
------------------------------	----



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Portola Valley School District
Portola Valley, California

Report on the Financial Statements

We have audited the accompanying financial statement of the Measure O Parcel Tax (the "Measure") of the Portola Valley School District (the "District"), for the year ended June 30, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective changes in financial position of the Measure O Parcel Tax of the Portola Valley School District for the year ended June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Measure, and are not intended to present fairly the financial results of operations of the District in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2019 on our consideration of the Measure's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure's internal control over financial reporting and compliance.

Palo Alto, California
_____, 2019

**PORTOLA VALLEY SCHOOL DISTRICT
MEASURE O PARCEL TAX**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES

Assessments	\$ 1,616,923
Less:	
Exemptions	(408,443)
County collection fees	<u>(2,958)</u>
Total Revenues and Other Sources	<u>1,205,522</u>

EXPENDITURES

Instruction	
Science teacher	151,600
Math teacher	238,343
Music teacher	343,870
Reading teacher	141,522
Class size reduction teacher	<u>330,187</u>
Total Expenditures	<u>1,205,522</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

PORTOLA VALLEY SCHOOL DISTRICT MEASURE O PARCEL TAX

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1 – GENERAL BACKGROUND AND INFORMATION

On May 7, 2013, the Portola Valley voters approved Measure O (the “Measure”) – the Portola Valley Elementary School District Parcel Tax- in the amount of \$581 per parcel. This parcel tax for the Portola Valley School District (the “District”) replaced and consolidated two expiring education parcel taxes, Measure C and Measure D. The Measure will continue to support high academic achievement in math, science, reading, writing, and technology; attract and retain highly qualified teachers; and support music/art programs. The voters authorized a Parcel Tax of \$581 per year for 8 years, including an independent community oversight committee, an exemption for senior citizens and disabled persons, and a commitment that no funds will be used for administrator salaries or benefits and that all funds stay in this community to promote student achievement. Specifically, the Parcel Tax proceeds will support the following purposes:

- Maintain quality math, science, reading and writing instruction;
- Develop advanced programs in engineering and technology;
- Keep class sizes small;
- Support art and music programs; and
- Retain qualified/experienced teachers

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles

The accounting policies of the Measure conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity

The financial statement includes only the Measure of the District. This financial statement is not intended to present fairly the financial results of operations of the Portola Valley School District as a whole, in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The District accounts for the Measure within a governmental fund by resource. The Measure is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. There is no balance sheet reported for the Measure because there were no balances to report at June 30, 2019. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fund Accounting

The operations of the Measure are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

PORTOLA VALLEY SCHOOL DISTRICT MEASURE O PARCEL TAX

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the date of the financial statement through the date the financial statement was issued. The financial statement includes all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Parcel Tax

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on August 31 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

**PORTOLA VALLEY SCHOOL DISTRICT
MEASURE O PARCEL TAX**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education.

INDEPENDENT AUDITOR'S REPORT



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Portola Valley School District
Portola Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statement of the Measure O Parcel Tax (the "Measure") of Portola Valley School District (the "District") for the year ended June 30, 2019, and the related notes of the financial statement which collectively comprise the Measure's basic financial statement, and have issued our report thereon dated _____, 2019.

The Measure presents only the Measure's activities, and is not intended to present fairly the financial position and changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Measure's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Portola Valley School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure of the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Palo Alto, California
_____, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PORTOLA VALLEY SCHOOL DISTRICT
MEASURE O PARCEL TAX**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2019**

None reported.

AGENDA ITEM #8

REVIEW PROJECTED GENERAL FUND BUDGET (Information Only)

Portola Valley School District

2019-20 Adopted Budget
June 5, 2019



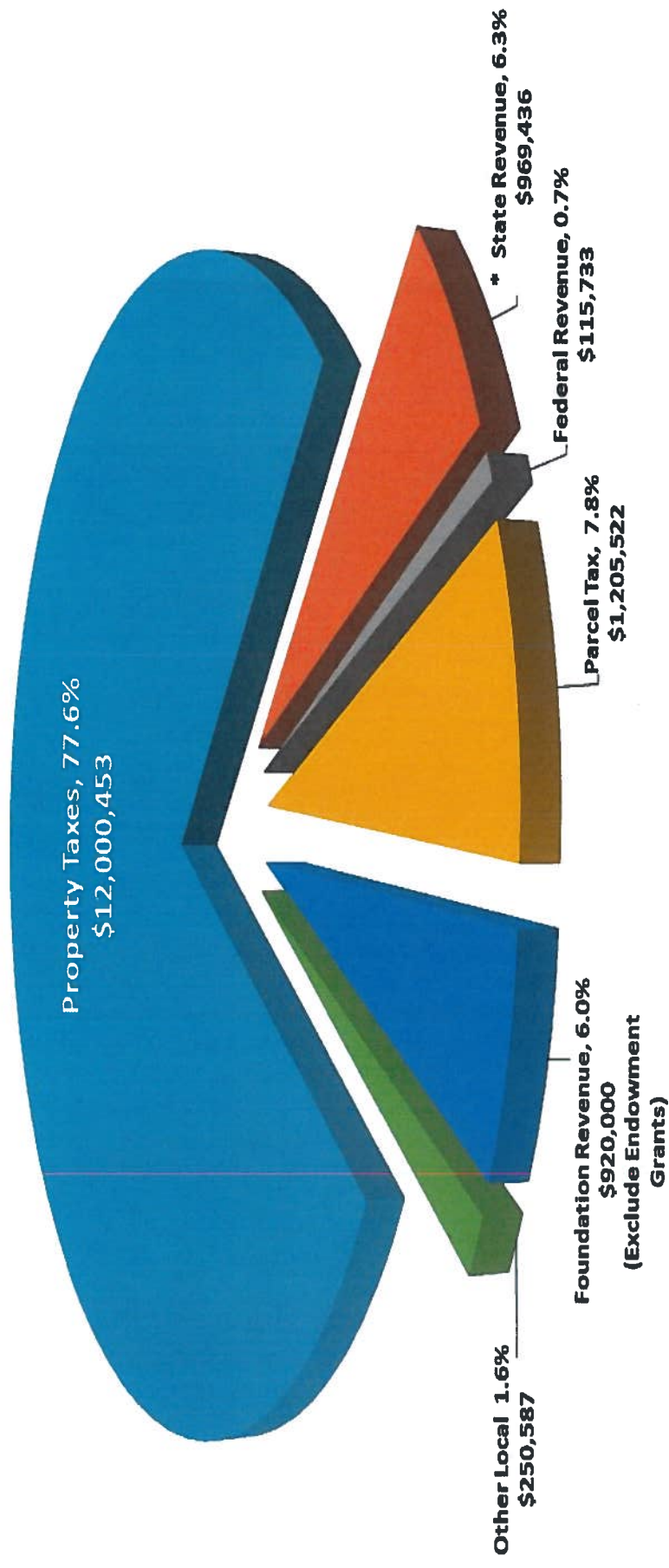
Projected Financial Outlook - General Fund

	2018-19	2019-20	2020-21	2021-22	2022-23
Income	16,304,104	16,089,512	16,369,423	16,735,756	17,118,115
Expenditures	(15,272,173)	(15,139,563)	(15,924,378)	(16,245,826)	(16,733,473)
Excess	1,031,931	949,949	445,045	489,930	384,642
Transfers to Other Funds	(830,785)	(414,000)	(222,000)	(223,000)	(224,000)
Net Inc/(Dec) to Fund Balance	201,146	535,949	223,045	266,930	160,642
Beginning Fund Balance	1,567,521	1,768,667	2,304,616	2,527,661	2,794,591
Ending Fund Balance	1,768,667	2,304,616	2,527,661	2,794,591	2,955,233
Available Reserves %	12.6%	15.9%	15.8%	16.7%	16.7%

2019-20 Budget Revenue Assumptions

- Property Tax Increase of \$543K over prior year
- Parcel Tax (Measure O) - \$581 per parcel (or \$1.2 M)
- PVSD Foundation Campaign Funds - \$920,000
- State Programs \$535,424: State Aid, Education Protection Acct - \$200 per student
- Special Education Revenues \$405,741: Increase by COLA from 2018-19
- Erate (Access point rebate) \$38,000

2019-20 Proposed Revenues

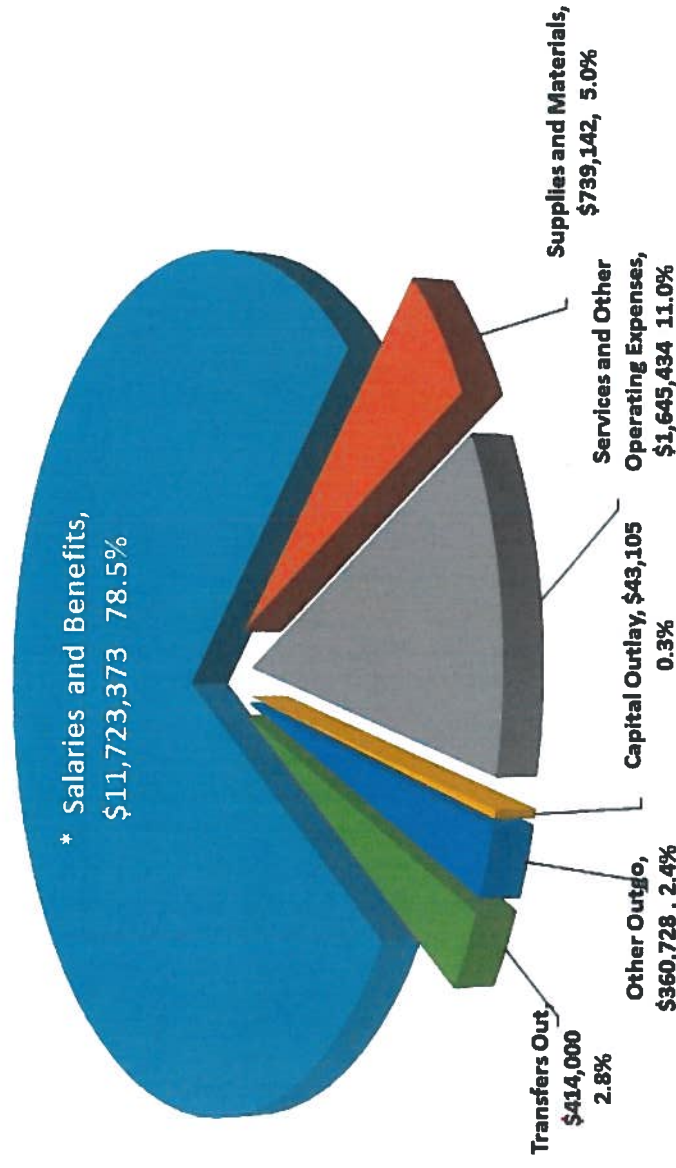


* Excludes \$592,541 CalSTRS on behalf payments

2019-20 Budget Expenditure Assumptions

- Personnel Budgets
 - 0.33 FTE certificated staff and one special education paraprofessional reduction through attrition
 - Negotiations not settled with any employees groups
 - Increase in CalSTRS and CalPERS Pension Costs
- Non-Personnel Budgets
 - Textbook adoptions: Science grades K-5
 - Teachers classroom budgets \$400 each
 - School site budgets \$267 per student
 - Upgrade wifi access point upgrade \$150,000 (less \$38,000 State rebate)
 - Facilities cameras \$46,500
 - Board election Costs, Parcel Tax Renewal analysis

2019-20 Proposed Expenditures



* Excludes \$592,541 CalSTRS on behalf payments

2019-20 Governor's Proposals

Partial Listing of Governor's K-12 Proposals with impact to PVSD:

- Statutory Cost of Living Adjustment 3.26% - \$17,700 for Tinsley and Special Education programs
- Pension payments - \$65,000 total for the next 2 years
- Discretionary Funds - None proposed; Received \$107K in previous year.

Assumptions in 2020-21 to 2022-23

Revenues:

- Property tax growth: 3% each year for the out-years
- Parcel Tax (Measure O) expires June 30, 2021. Budget assumes parcel tax revenues to continue beyond 2020-21. If not renewed, \$1.2 million in cuts is necessary
- Special Education Revenues and Expenditures assume slight escalation

Expenditures:

- Health Benefits - Increase by 8% per year
- Pension rates continues to increase up to 19.1% for STRS in 2020-21 and 25% for PERS in 2022-23
- Restore Director of Curriculum/Innovation position
- Solar interest rebates of \$75,000 in 2020-21; \$66,800 in 2021-22; and \$58,123 in 2022-23

Pension Cost Increases

CALSTRS	Year	Rate Increase	%	Credible Earnings	Cost Increase
	2013-14	8.25%		5,937,790	
	2014-15	8.88%	0.63%	5,853,000	36,874
	2015-16	10.73%	1.85%	6,333,952	117,178
	2016-17	12.58%	1.85%	6,656,522	123,146
	2017-18	14.43%	1.85%	6,558,752	121,337
	2018-19	16.28%	1.85%	6,558,752	121,337
	2019-20	18.13%	1.85%	6,558,752	121,337
	2020-21	19.10%	0.97%	6,558,752	63,620
	2021-22	19.10%	0.00%	6,558,752	-
	2022-23	19.10%	0.00%	6,558,752	-
				TOTAL	704,828

*** Bond and Italicized are projections**

Pension Cost Increases

CALPERS				
Year	Rate	% Increase	Credible Earnings	Cost Increase
2013-14	11.44%		1,541,352	
2014-15	11.77%	0.33%	1,699,837	5,609
2015-16	11.85%	0.08%	1,898,322	1,519
2016-17	13.89%	2.04%	1,911,835	39,001
2017-18	15.53%	1.64%	1,889,401	30,986
2018-19	18.06%	2.53%	1,889,401	47,802
2019-20	20.73%	2.67%	1,889,401	50,447
2020-21	23.40%	2.67%	1,889,401	50,447
2021-22	24.50%	1.10%	1,889,401	20,783
2022-23	25.00%	0.50%	1,889,401	9,447
			TOTAL	256,042

** Bond and Italicized are projections*

Summary

POSITIVES:

- Economy continues to grow
- Healthy growth in property tax revenue
- Continue community support

BUDGET PRESSURES:

- Parcel Tax of \$1.2 million expires June 30, 2021
- Pension costs & health benefits continue to increase
- District's unfunded retirees' health benefits \$1.4 mil
- Pending outcome of Genentech Litigation
- Flat revenues funding sources

