MEETING MINUTES

We welcome you to this meeting of the LGSUHSD Parcel Tax Oversight Committee (PTOC). The public may make comments relevant to agenda items at the time so designated on the agenda. Public comment will not be heard outside the designated time. While not required, we would appreciate it if you would identify yourself with your name and address when addressing the Committee. Speakers are asked to limit remarks to three minutes (with a maximum of twenty minutes for one topic).

Assistance Information
If you require special assistance such as auxiliary aids or services in order to access the Board meeting room, review the agenda, or otherwise participate in this meeting, please contact the Assistant to the Chief Business Official (CBO) at pmalas@lgsuhsd.org. Please provide sufficient advance notice to allow the Committee time to arrange for your accommodation.

Please use the following link to join virtually. (Committee Members are required to attend in person.): https://lgsuhsd.zoom.us/j/98091617989

Attendance

Voting Members
Jim Bertonis
Karen Krawez, Absent
Mei Lin
Anthony Tarlano

Non-Voting Members
Pola Michelle Alas
Patrick Bernhardt
Steve Chen
Shawn Mortensen, Absent
Heath Rocha

I. Call to Order

The meeting was called to order at 3:42 p.m.

A. Roll Call - Establishment of a Quorum

A quorum was established.

II. Approval of the Agenda

THE PTOC Agenda for April 2, 2026, was approved as submitted.

Motion made by: Anthony Tarlano
Motion seconded by: Mei Lin

> ***Voting results:*** Unanimously Approved

III. Report/Discussion Items

A. Parcel Tax Budget Update

Patrick Bernhardt, Executive Director of Business Services, presented the 2024–25 Parcel Tax Revenue and Expenditures Report. The District received total revenues of $2,488,245, with total expenditures also totaling $2,488,245. All expenditures were allocated to certificated salaries and benefits. Direction was provided to discontinue the breakout for the 9th-grade-only section in future reports; this change will be incorporated in the next report presented to the Committee.

Mr. Bernhardt also reviewed the 2025–26 financial report, providing context for the Parcel Tax budget and a summary of the District's overall budget. The projected total revenue for 2025–26 is $2,570,555, with projected expenditures matching that amount.

As approved by voters in 2025, the Parcel Tax includes an annual inflation adjustment based on the Bay Area Consumer Price Index (CPI), resulting in an increase to the amount assessed per parcel each year.

The allocation of district-wide resources to school sites, on both the revenue and expenditure sides, follows a 60/40 split. In most cases where district-wide resources are allocated to sites, this same ratio is applied. For certain state reporting requirements, expenditures must be reported on a per-pupil basis. When allocating district office personnel costs, the District applies the 60/40 ratio, with 60% assigned to Los Gatos High School and 40% to Saratoga High School. This has been the District's longstanding practice for more than 20 years.

Currently, enrollment distribution is approximately 65% at Los Gatos High School and 35% at Saratoga High School, reflecting a more rapid enrollment decline at Saratoga over the past decade. From an assessed property value perspective, the Los Gatos attendance area represents approximately 55% of the District's total assessed value, while Saratoga represents about 45%. However, Parcel Tax revenue is based on a per-parcel assessment rather than assessed value, and there are more parcels in Los Gatos than in Saratoga. As a result, it is likely that more than 60% of Parcel Tax revenue is generated from Los Gatos. Rather than recalculating allocations annually, the District continues its longstanding practice of applying a consistent 60/40 split for district-wide allocations.

The new development on Los Gatos Blvd. is not expected to generate significant additional revenue for the District. When properties are subdivided for individual ownership, each unit is subject to its own parcel tax. In contrast, developments owned by a single entity, such as apartment complexes, are assessed only one parcel tax, regardless of the number of units. As a result, condominium developments are more beneficial to the District from a parcel tax

perspective.

The Board discussed the possibility of transitioning to an assessed value-based parcel tax but ultimately decided against it due to its complexity and the higher voter approval threshold required. A flat dollar amount per parcel was considered easier for the community to understand. Another option considered was a parcel tax based on square footage, which would allocate the tax according to the developed area of each property. This approach was also rejected in favor of maintaining the current structure, as it is the simplest to explain.

The parcel tax measure required a two-thirds vote for approval and passed by a margin of eight votes.

Phase One of the new development included retail construction within the boundaries of Campbell. As a result, the City of Campbell will receive the associated sales tax revenue, while the LGSUHSD District will serve the students generated by the residential portion located in Los Gatos.

It was also noted that sales tax revenue is not a source of funding for the District. Mr. Bernhardt noted that he recently learned that the Town of Los Gatos does not receive sales tax revenue from vehicle sales by Tesla, Inc., as vehicles are shipped directly from the Fremont Factory to purchasers. Under California sales tax law, the sale is recognized at the point where the company takes possession of the vehicle, Fremont, meaning that the city receives the associated sales tax revenue. The Town of Los Gatos receives sales tax revenue, which includes services provided within its jurisdiction.

IV. Public Comment on Open Session Items

There was no public comment on items not on the agenda.

V. Action Items

A. Minutes, March 26, 2025

The minutes were approved as submitted.

Motion made by: Anthony Tarlano
Motion seconded by: Mei Lin

> ***Voting results:*** Unanimously Approved

B. Appointment of PTOC Chairperson

The Committee appointed Anthony Tarlano as the PTOC Chairperson, effective immediately, to serve through June 30, 2027.

Motion made by: Jim Bertonis
Motion seconded by: Mei Lin

> ***Voting results:*** Unanimously Approved

C. Appointment of PTOC Vice Chairperson

The Committee appointed Jim Bertonis as the PTOC Vice Chairperson, effective immediately, to serve through June 30, 2027.

Motion made by: Jim Bertonis
Motion seconded by: Anthony Tarlano

> ***Voting results:*** Unanimously Approved

D. Appointment of PTOC Clerk

The Committee appointed Mei Lin to serve as PTOC Clerk, effective immediately through June 30, 2027.

Motion made by: Jim Bertonis
Motion seconded by: Anthony Tarlano

> ***Voting results:*** Unanimously Approved

E. Appointment of PTOC Liaison to the Budget Advisory Committee (BAC)

The Committee appointed Jim Bertonis to serve as the PTOC Liaison to the Budget Advisory Committee, effective immediately through June 30, 2027.

The Budget Advisory Committee typically meets four times per year.

The Committee also voted for members appointed at this meeting to continue serving in their roles through June 2027.

Motion made by: Anthony Tarlano
Motion seconded by: Mei Lin

> ***Voting results:*** Unanimously Approved

F. Appointment of Members - PTOC Annual Report Subcommittee

The Committee appointed Jim Bertonis, Anthony Tarlano, and Mei Lin to serve on PTOC Annual Report Subcommittee and designated Anthony Tarlano to present the PTOC Annual Report to the Board.

Motion made by: Jim Bertonis
Motion seconded by: Anthony Tarlano

> ***Voting results:*** Unanimously Approved

VI. Committee Member Comments

None.

VII. Adjournment

The meeting was adjourned at 4:26 PM.