BEVERLY HILLS UNIFIED SCHOOL DISTRICT
FINANCE COMMITTEE

August 25, 206
3:30 p.m. – 5:30 p.m.
District Office Board Room

1. Meeting called to order – 3:30 p.m.

2. Attendance:
   - Committee Members – Colleen Knerr, Marilyn Gallup, Joe Safier, Terry White, Bob Sternshein
   - Staff Members – La Tanya Kirk-Carter, Steve Kessler, Angeli Villaflor
   - Board – Howard Goldstein

3. APPROVAL OF AGENDA - Approved

4. APPROVAL OF MEETING MINUTES – July 28, 2016 – Approved, subject to change in item nine.

5. SUPERINTENDENT'S REPORT
   - The opening of the 2016-2017 school year was successful. There were a few issues with enrollment. In some instances parents waited too long to complete the enrollment process and students were not able to go to the school of the parents choosing.
   - Modernization – El Rodeo and Beverly Hills High School currently undergoing abatement. This should go on until October or November. Once the abatement has been completed modernization will begin.
   - Test scores just released. The greatest gains were at Beverly Hills High School. The high school jumped 20 points in English Language Arts and 18/19 points in Mathematics. Strong administrative control is what is needed to hold teachers to a standard.
   - The Board accepted the Superintendent’s recommendation to hire four reading specialist and four math specialist. The specialists are strictly in the K-8 schools.

6. GASB 45 MONTHLY UPDATE
   The committee reviews the GASB 45 report monthly. The District is currently above the originally deposited amount.

   Is there a way that we can compare these reports with some sort of comparison?
   Can we get the investment manager to give us something to compare this report to, what they feel is a reasonable benchmark?
7. ELECTION OF NEW CHAIR AND VICE CHAIR
The committee has voted and chosen Ms. Colleen Knerr, Chair and Mr. Bob Sternshein, Vice Chair.

8. FINANCE COMMITTEE POSITION STATEMENT
The position statement for the Finance Committee will be reviewed, corrected and brought back to the September meeting for approval. The committee respectfully requests the finalized position statement then be brought to the Board of Education for approval.

9. UNAUDITED ACTUALS
The unaudited actuals were submitted to the Board of Education during the August 23rd Board Meeting.

- The budget ended $1.5 million above what was projected.
- We ended 2015-2016 with zero deficit spending. We received less revenue than originally expected and our expenditures were down.
- Our workers compensation rates have decreased in the last two years in a row. This year we were able to take a nice decrease because a Back to Work Program has been implemented. We spent close to $400,000 less than budgeted in workers compensation expenses.
- We spent close to $700,000 less than budgeted in legal fees.
- We budgeted close to $294,000 contribution to the cafeteria fund. We ended the year with a contribution of only $3,000.
- We did spend more than budgeted for Special Education.

**Why are employee benefits going up to $2.3 million?**
While the district did reduce staff, we also gained staff. The health and benefits cap was increased a full $1,000 per employee. All of the tax and compensatory benefits have also increased, this includes STRS and PERS and employee salary increases.

**The committee would like to receive a breakdown of what the increases were?**

**Are there any one time items in this budget?**
The textbooks are the one time item in this budget at $2 million. Mr. Kessler will ask Dr. Jennifer Tedford to attend the next Finance Committee meeting to answer questions regarding textbooks.

**Does the district still see these kinds of deficits in the 2018/2019 outlying years?**
Yes, which is why the district commissioned the staffing study with School Services of California. Ms. Kirk-Carter sees the district eroding its reserves. There is no full-fledged deficit reduction plan in place.
The district cannot go into 2017/2018 looking at another $3 million deficit. It is just not responsible. The budget will be a constant issue going forward but what is happening is not sustainable. We have to get past this.

The committee would like the following to go on record:
- The district should be funding OPEB currently at some level.
- The committee has great concern about the unsustainable but institutionalized deficit.

10. STAFFING – PART-TIME EMPLOYEES
We currently have fifty one employees working more than 19.5 hours but less than 40 hours per week that we receive the benefit cap. The contribution is $8,500 dollars per employee which calculates to a little under half a million dollars in budget that we spend.
Ms. Kirk-Carter will be working on pushing the number of hours worked from 19.5 to 30 hours per week.

11. PROPERTY TAX REVIEW
Are there any additional questions to be presented to the LA County Assessor and the Auditor Controller Staff?
- Why aren’t we entitled to our miniscule percentage of Southern California Edison’s and The Gas Companies property in the City of Beverly Hills? Where is the public utility money?
- Update on construction in progress.
- Remove item 7. This is an item for the district to complete.
- We need to understand their thinking about how Basic Aid Districts work.
Joe Safier will send La Tanya Kirk-Carter contact information to schedule an appointment with the Los Angeles County Offices.

12. ONE BEVERLY HILLS PROJECT
Nothing is happening in terms of approval. One Beverly Hills appeared before the planning commission and will be coming before the planning commission again. But at this point no approvals.

13. BOARD REQUEST ITEM/ISSUES TO DISCUSS WITH COMMITTEE

14. PUBLIC COMMENT

15. OTHER ITEMS

16. FUTURE ITEMS FOR DISCUSSION

17. ADJOURNMENT – 5:28