

# DISTRICT FINANCIAL SERVICES INSIGHTS

## *Pension Solution Project*

### *Replacement of Pension System*

EIC 17-5 Pension Solution Project Circular is now available on [CalSTRS.com](http://CalSTRS.com). Employer Information Circular Volume 33, Issue 5, Pension Solution Project, is now available on CalSTRS.com.

Pension Solution, the CalSTRS project to replace the current pension system technology and processes, is well underway. Before the conclusion of this significant project, multiple systems used by employers, CalSTRS staff and members will be replaced. The replacement of the current versions of the Secure Employer Website (SEW) and the Contribution Account Portal (CAP) will bring the greatest changes to employers.

## *Approved Changes to SB 854 – DIR Requirements*

The Governor signed the budget that included the trailer bill to modify Labor Code Sections 1725.5, 1742.1, 1770, 1771.1, 1771.3, 1771.4, 1773.3, 1773.6, 1778, 1780, 1811, and 1860 of the Labor Code, and to amend Section 4104 of the Public Contract Code, relating to public works. Refer to the May DFS Insights for the detail on the changes.

Additionally, the bill was modified to increase the registration fee from \$300 to \$400 for contractors and to add an effective date of January 1, 2018.

*Note: The increased dollar limits are for filing the PWC-100. Contractors must still register if performing on public works projects of \$1,000 or more.*

## *Disposal of Surplus Personal Property*

### *Education Code 17545*

Summer is often time to clean house and dispose of unwanted or unused items. California Education Code 17545 et seq. allows for the disposal of surplus property by a

number of methods including public bid/auction, private sale, transfer, or trash.

### Preparing for Disposal:

#### Prior to disposal:

- Determine value by searching for comparable items on eBay, Craigslist, or other auctions.
- Determine if a sale is warranted or economically feasible. Cost of sale vs. trash.
- Obtain a specific description of item by looking up make or model online.
- Determine condition:
  - **LN or Like New:** Just shy of new, no blemishes, lightly used, warranty left.
  - **Excellent:** Lightly used, minor signs of wear, much of useful life is still left.
  - **Good:** Clearly used, some useful life left, working condition, no defects.
  - **Fair:** Visible wear, still functions
  - **Poor/As Is:** May not be reliable, undesirable to most buyers, or scrap.
- Locate title if selling a vehicle
- Take pictures of several views of item/items
- Determine method of sale (single item, lot, etc.)
- Determine which type of sale would bring in the best returns.

### Obtain Governing Board Approval for Disposal:

- a) **Auction or Sealed Bid:** The Governing Board may direct the sale of personal property that is not required for school purposes, needs replacement, or is unsatisfactory or not suitable for school use. Posting of notices is required.
- b) **Private Sale:** By a unanimous vote of members present the board makes a determination that the items to be sold do not exceed in value the sum of two thousand five hundred dollars (\$2,500).
- c) **Disposal or Donation:** If the board, by a unanimous vote members present, finds that the property is of insufficient value to defray the costs of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the board, or it may be disposed of in the local public dump on order of

any employee of the district empowered for that purpose by the board.

The Board may delegate authority to dispose of surplus property under section "a" above, but must take a direct vote to utilize sections "b" and "c."

Gifts or Private Sale to Employees:

District owned property may not be offered for sale to employees of the district unless the Board approves the sale by unanimous vote (see "b" above). Allowing employees to take home unwanted equipment or furniture is a gift of public funds.

## FAQ's on Public Hearings, Budget and LCAP Adoptions

**Q:** What is the sequence of board meetings?

**A:** 1<sup>st</sup> Meeting

1. Public Hearing for LCAP
2. Public Hearing for Budget

2<sup>nd</sup> Meeting- must be at least one day after the 1<sup>st</sup> Meeting

3. Adopt LCAP
4. Adopt Budget

**Q:** Can the meetings be special board meetings?

**A:** Yes, the public hearings and adoptions of budget and LCAP can be at regularly scheduled board meetings or at special board meetings.

**Q:** When do I need to publish the budget and LCAP for public inspection?

**A:** At least 72 hours before the board meeting.

**Q:** What is SDCOE's role in public hearings and adoptions?

**A:** The County Superintendent of Schools must publish notification of the public hearing, including location for public inspection, in a newspaper of general circulation at least 10 days, and not more than 45 days, prior to the hearing. SDCOE begins collecting this information in March in order to compile all information, and meet publishing deadlines.

**Q:** So what happens if I need to change the date of the public hearing?

**A:** The publication will need to run again, which will require at least 10 days in addition to publishing deadlines.

Please notify our office as soon as possible if this situation arises.

**Q:** What if I need to change the date of the LCAP and Budget Adoptions?

**A:** This information is not published, so standard board meeting deadlines apply, as well as the requirement for public inspection at least 72 hours before the meeting.

**Q:** What is the requirement for identifying "excess reserves?"

**A:** Provide the following for public review and discussion:

- i. Minimum recommended reserve for economic uncertainties
- ii. Combined assigned and unassigned balances in excess of the minimum
- iii. A statement of reasons substantiating the need for reserve in excess of minimum
- iv. A sample document is provided with the May Revise Guidance that is sent to district

**Q:** When do I send the budget and LCAP to SDCOE?

**A:** Within 5 calendar days of adoption, but not later than July 1.

## New Staff in Retirement

Pleased to welcome Veronica Sam to the Retirement Reporting unit team. Veronica Sam is the new PERS contact for districts 001-045. Visit staff assignment website for contact information:

<http://www.sdcoe.net/business-services/financial-services/Pages/staff-assignments.aspx>

