



## **SMMUSD Financial Oversight Committee Minutes**

**Date: Tuesday, March 20, 2012**

**Time: 7:00 pm to 9:00 pm**

**Location: Testing Room, SMMUSD Administrative Offices  
1651 16<sup>th</sup> Street, Santa Monica, CA 90404**

### **I. Call to Order**

The meeting was called to order at 7:02p.m. by Ms. Wagner.

Committee Members: Carrie Wagner, Chair                      Joan Chu Reese, Vice Chair  
Craig Foster                      Patricia Hoffman  
Gordon Lee                      Tom Larmore left @ 8:18pm  
Shelly Slaugh Nahass                      David Vukadinovich

Board Liaison: Nimish Patel

Staff: Jan Maez  
Kim Nguyen

Absent: Jose Escarce                      Craig Hamilton  
Laurie Lieberman                      Paul Silvern  
Cynthia Torres                      Jack Walecki – Malibu High School

### **II. Approval of Minutes                      February 21, 2012 meeting**

A motion was made by Mr. Vukadinovich and seconded by Mr. Lee to approve the Minutes as amended. The motion passed unanimously. Mr. Hamilton, Mr. Silvern, and Ms. Torres were absent.

### **III. Staff Report: Chief Financial Officer Janece L. Maez (*Limited Discussion*)**

- A. 2011-12 2<sup>nd</sup> Interim Report: Ms. Maez reported that the Board approved with a positive certification the 2011-12 2<sup>nd</sup> interim report that included a \$2.3M reduction plan for fiscal year 2012-13. Beginning this year, the District is building in unexpended allocations of \$2M/year for each year. The structural deficit ranges from \$2M-\$4.5M.

Mr. Larmore wondered the impact to the District's budget with CalPERS recent announcement of reduction in returns. Ms. Maez responded that school districts differ from municipalities in that school districts pay 13.02% into retirement for classified employees regardless of the PERS rate so long that it is below said amount. For example, if the PERS rate is 10%, PERS is paid 10% and the state reduces the district's revenue limit by 3.02%. As long as PERS rate is below 13.02%, the rate will not affect school districts. The State will receive less revenue limit as the PERS rate increases.

Ms. Wagner questioned the multi-projections and wanted to know whether there was a financial strategy to "stop the bleeding." She suggested that the FOC draft a statement to the Board of Education.

Mr. Foster inquired about the value of furloughs. Ms. Maez responded that one (1) furlough day equated to a savings of approximately \$400k. The State's maximum furlough is fifteen (15) days; previously at five (5). The process of negotiation will be on the April 19, 2012 Board agenda and will start with the "sunshining" of proposals for public input. The process is intended to give the public an understanding of what the union and District will be discussing. The Board and Staff will make public of the District's core values and the public will see the instructional program. The agreement will be measured against the core values. The public may comment on the core values.

- B. Budget Update: No report.

#### **IV. Discussion/Action Items**

- A. Nomination of FOC Members: A motion was made by Ms. Wagner and seconded by Mr. Foster to move Discussion/Action Item "Nomination of FOC Members" to the front of the agenda. Ms. Chu Reese announced her resignation as Vice Chair and member of the FOC as of 9pm, March 20, 2012. A copy of Ms. Chu Reese's statement is attached to the meeting minutes. Ms. Wagner and members of the FOC thanked Ms. Chu Reese for her work on the strategic plan and revenue enhancement committee. Ms. Wagner and Mr. Larmore both raised concerns about the FOC maintaining its independence and ability to speak freely. Mr. Lee unequivocally agreed with Ms. Chu Reese's statement. Mr. Lee thanked Ms. Chu Reese for her contribution to the children and families of the district. Mr. Patel stated that Ms. Chu Reese inspired him to become involved with the FOC and did not want to accept her resignation. Mr. Patel suggested that other Board members would understand the situation better if they heard Ms. Chu Reese's statement. Mr. Foster thanked Ms. Chu Reese and that the district needed people who are leaders like her. Ms. Hoffman stated that Ms. Chu Reese must resign to the Board and not to the committee. Ms. Chu Reese responded that she was going to email the Board and Superintendent regarding her resignation after the FOC meeting.
- B. FOC Leadership: A motion was made by Ms. Wagner and seconded by Mr. Lee to nominate and elect Mr. Larmore as Vice Chair of nomination committee. An objection was made by Ms. Hoffman because Ms. Chu Reese had not yet resigned to the Board and that the agenda item listed as "FOC Leadership" was not clarifying enough. There may be other FOC members not present at the meeting who would be interested in the Vice Chair position. The motion died. "Nomination and Election of Vice Chair" will be placed on the April 17, 2012 FOC meeting agenda.
- C. Approval of Measure R Audit Report: It was moved by Ms. Wagner and seconded by Mr. Lee to approve the Measure R Audit Report. The motion passed unanimously. Mr. Hamilton, Mr. Silvern, and Ms. Torres were absent.
- D. Status of Ad Hoc Committees – Brown Act Questions: This discussion/action item was tabled to the April 17, 2012 FOC meeting.

#### **V. Update from Ad Hoc Committees**

- A. Researching District Revenue Enhancement (*J. Chu Reese, G. Lee, C. Torres, D. Vukadinovich*): No report.

- B. Educating Public on District Finances (*C. Wagner, C. Foster, P. Hoffman, T. Larmore*): No Report.
- C. Comparative District Research (*T. Larmore, S. Slaugh Nahass, P. Silvern*): No Report.
- D. Special Education District Advisory Committee (SEDAC) (*C. Hamilton, P. Silvern*): No Report.
- E. Nominating Committee (*G. Lee, C. Hamilton, S. Slaugh Nahass, C. Wagner*): Mr. Patel stated that the Board subcommittee included Ms. Lieberman, and Dr. Escarce and himself. The subcommittee wants to speak with the three (3) incumbents and three (3) new applicants.

Mr. Lee felt that it should be up to the FOC nominating committee. Should the Board not appoint from the initial FOC recommendation, Mr. Lee requested that it comes back to the FOC for another nomination. Ms. Hoffman felt that it was the Board's obligation to fill the vacancies and not the FOC. Mr. Larmore believed that there were two issues. First, the nomination process; and second, the perception that people who had differing opinion than that of the Board should not serve on the FOC.

A motion was made by Mr. Foster and seconded by Ms. Wagner that preference be given to Malibu residents for the next two vacancies. The FOC discussed how that would work procedurally. A substitute motion was made by Ms. Chu Reese and seconded by Mr. Vukadinovich that for the vacancy of Ms. Chu Reese's seat, the FOC nominating committee be allowed to call for applications and interview for that seat with preference given to applicants from underrepresented areas such as Malibu. The motion passed. Ms. Hoffman opposed. Mr. Hamilton, Mr. Silvern, and Ms. Torres were absent.

Ms. Wagner stated that Ms. Lieberman and Dr. Escarce were present at the February 21, 2012 FOC meeting but did not comment on the Statement of Purpose so it appears that they did not have a problem with the revised statement.

- F. Superintendent Advisory Group (SAG) (*D. Vukadinovich*): Mr. Vukadinovich informed the FOC that the Ed Foundation hired a consultant development officer. He reported that an all-day forum was held on March 10, 2012 with representatives from Manhattan Beach, Beverly Hills, Palo Alto and Irvine Unified School Districts. He also reported that on March 19, 2012 and March 21, 2012, the fundraising subcommittee met to draft a recommendation on concrete steps for district-wide fundraising focusing on the relationship between Ed Foundation and site fundraising bodies such as Booster Club. The next SAG meeting will be at 5:30pm on March 26, 2012 at Webster where subcommittees will report their progress. The Superintendent is expected to present a recommendation to the Board in June 2012.

**VI. Receive and File (Limited Discussion):** None

**VII. Public Comments:** None

**VIII. Next Meeting:** April 17, 2012 from 7:00 p.m. - 9:00 p.m. at Webster Library

**IX. Adjournment:** It was moved by Ms. Chu Reese and seconded by Ms. Slaugh Nahass to adjourn at 9:08pm. The motion passed unanimously. Mr. Hamilton, Mr. Silvern, and Ms. Torres were absent.