



SMMUSD Financial Oversight Committee Minutes

Date: Tuesday, April 17, 2012

Time: 7:00 pm to 9:00 pm

Location: Webster Elementary - Library

3602 Winter Canyon Road, Malibu, CA 90265

I. Call to Order

The meeting was called to order at 7:05p.m. by Ms. Wagner.

Committee Members: Carrie Wagner, Chair Tom Larmore, Vice Chair
Craig Foster Craig Hamilton
Paul Silvern Shelly Slaugh Nahass arrived @ 7:08pm
Cynthia Torres

Board Liaisons: Jose Escarce Nimish Patel

Staff: Jan Maez
Kim Nguyen

Absent: Patricia Hoffman Gordon Lee
Laurie Lieberman Jack Walecki – Malibu High School
David Vukadinovich

Public: Heidi Kleis – SMMCTA left @ 9:10pm
Patrick Miller – Malibu High School Spanish Teacher

II. Approval of Minutes March 20, 2012 meeting

A motion was made by Mr. Foster and seconded by Ms. Wagner to approve the Minutes. The motion passed (Mr. Silvern and Ms. Torres abstained). Ms. Hoffman, Mr. Lee, Ms. Slaugh Nahass, and Mr. Vukadinovich were absent.

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

- A. Budget Update: Ms. Maez reported that fiscal staff were compiling the recommendations for multi-year reductions and were getting closer to actual numbers. Transportation cuts were already included since the 2nd Interim report. Staff is preparing the budget with \$2.3M reduction and using an assumption that \$2M of current year appropriation will be unspent at the end of the year. With these assumptions, there will be a \$4M deficit in the first year. In the event of the Governors tax measure passing, with the reductions in place, the District's three year budget will have sufficient reserves; however, if the tax measure does not pass and the State Budget trigger is pulled, the district will need to make further reductions.

IV. Discussion/Action Items

- A. Nomination and Election of FOC Vice Chair: A motion was made by Mr. Silvern and seconded by Mr. Foster to nominate Mr. Larmore as Vice Chair. The motion passed unanimously. Ms. Hoffman, Mr. Lee, Ms. Slaugh Nahass, and Mr. Vukadinovich were absent.
- B. Status of Ad Hoc Committees – Brown Act Questions: Ms. Maez stated that most of the FOC committees were truly ad hoc committees as they were created for a specific purpose. The only ad hoc committee that may be questionable is the district revenue enhancement committee due to the lack of a specific task. Ms. Maez recommended that future committees are created with specific tasks. Dr. Escarce informed the FOC that there was an upcoming Brown Act training workshop. Mr. Silvern suggested that the FOC committees be disbanded at the end of each fiscal year and through discussion with feedback from the Board, committees are then established at the beginning of the following fiscal year.

Mr. Silvern suggested creating an ad hoc committee to do preparation work prior to the May 29th FOC meeting. Ms. Wagner will contact Mr. Larmore, Ms. Slaugh Nahass, Mr. Foster, Mr. Hamilton, and Ms. Hoffman.

- C. FOC Statement on 2012-2013 SMMUSD Budget: Mr. Larmore suggested that it was a bit premature for the committee to draft and formulate a statement before receiving the outcome of the May revise. The FOC inquired about the District's cashflow. Ms. Maez explained that with the dissolution of redevelopment agencies, the State recalculated each District's apportionments based on the assumption that revenue from property taxes was going to increase substantially. This assumption places SMMUSD in a basic aid status. Although this will most likely not occur, this status causes immediate cash flow concerns. For this year, it is anticipated that a cash deficit of about \$10M will occur in July 2012. The earliest that the District will see a correction on the state money based on real property tax receipts is August 2012. Ms. Maez stated she will make arrangements for a representative from Keygent Corporation to make a presentation to the FOC.

Mr. Silvern asked for the status of discussions with bargaining units regarding furlough days suggesting that furlough days could be used as a contingency if the tax measure do not pass. Ms. Maez reported that the Board and SMMCTA leadership agreed to a collaborative bargaining style. Both the union and district team attended a 3-day training on interest based bargaining. It was a great training and everyone was excited to get started. The sunshining of proposals will begin the process. The style is new and will get some getting used to. Budgets are living documents and if a budget is adopted in June and an agreement is reached in mid July or August, things could change. Mr. Patel inquired about increasing revenue based on permits and ADA. The Board approved increasing 150 students, filling in slots of classrooms in August. Dr. Escarce informed the FOC that there has been a loss of 50-75 students per year. It is a mix of adding space, teachers and filling existing classes up to the staffing ratios. Ms. Maez will have updated multi-year projections after the May Revise is released.

V. Update from Ad Hoc Committees

- A. Superintendent Advisory Group (SAG) (*D. Vukadinovich*): Mr. Foster reported that Dr. Chou presented at the last SAG meeting on educational premium program of the District. Mr. Larmore stated that there were a lot of work and discussion among the subcommittee where they each were completing their own piece of the puzzle. Ms. Maez stated that the Superintendent is confident that there will be something to present to the Board in June 2012.
- B. Educating Public on District Finances (*C. Wagner, C. Foster, P. Hoffman, T. Larmore*): Ms. Wagner distributed a draft presentation with revision made after the committee's last discussion at the February meeting. The committee's charge was to educate the public on district finances. The District continues to ask parents for more money but we have already lost 20% of funding. The FOC reviewed the presentation and provided additional suggested revisions. Grant, Franklin and Webster were the only PTAs ready to have the FOC ad hoc committee come speak to them. Ed Foundation is available the following week. The FOC praised the ad hoc committee for their great and hard work. Ms. Maez stated that some PTA groups may already have a full agenda. The ad hoc committee may want to consider offering groups of PTAs to meet at the District Office.
- C. Special Education District Advisory Committee (SEDAC) (*C. Hamilton, P. Silvern*): No Report.
- D. Nominating Committee (*G. Lee, C. Hamilton, S. Slaugh Nahass, C. Wagner*): Mr. Patel reported that the Board subcommittee included Ms. Lieberman, and Dr. Escarce and himself. The subcommittee wanted to speak with the two (2) incumbents (since Ms. Chu Reese had withdrawn) and three (3) new applicants. Mr. Patel stated that the subcommittee's recommendation to the full Board will be on the May 17, 2012 Board agenda.

VI. Receive and File (Limited Discussion): None

VII. Public Comments: None

VIII. Next Meeting: May 29, 2012 from 7:00 p.m. - 9:00 p.m.

IX. Adjournment: It was moved by Mr. Silvern and seconded by Mr. Larmore to adjourn at 9:13pm. The motion passed unanimously. Ms. Hoffman, Mr. Lee and Mr. Vukadinovich were absent.