



SMMUSD Financial Oversight Committee Minutes

Date: Tuesday, May 29, 2012

Time: 7:00 pm to 9:00 pm

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

I. Call to Order

The meeting was called to order at 7:04p.m. by Ms. Wagner.

Committee Members: Carrie Wagner, Chair Tom Larmore, Vice Chair
Craig Foster Craig Hamilton
Gordon Lee Daniel McGee
Shelly Slaugh Nahass Paul Silvern left @ 8:40pm
Cynthia Torres David Vukadinovich

Board Liaisons: Jose Escarce Laurie Lieberman

Staff: Jan Maez
Kim Nguyen

Absent: Patricia Hoffman Jack Walecki – Malibu High School
Nimish Patel

Public: Heidi Kleis – SMMCTA

II. Introduction of Appointed FOC Members

At the May 7, 2012 Board Meeting, the Board of Education appointed three (3) members to the FOC with terms ending December 31, 2014. Ms. Maez, Ms. Wagner and the FOC welcomed and congratulated Mr. McGee, Ms. Torres, and Mr. Vukadinovich on their appointment.

III. Approval of Minutes April 17, 2012 meeting

A motion was made by Mr. Silvern and seconded by Mr. Lee to approve the Minutes as amended. The motion passed unanimously. Ms. Hoffman was absent.

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

- A. Budget Update: Ms. Maez reported that in addition to the FOC and Board joint meeting on June 7th, the District's preliminary General Fund budget (approximately 35 pages that includes site budget information) would be presented. She stated that the Board Item coversheet will contain the detail of assumptions used in the development process. The base revenue limit for 2012-13 year is about \$6,800 per student ADA. There will be a 22.3% deficit applied, so total revenue limit will be below \$59M. The student enrollment budget is flat even with the expanded permit policy the Board approved. The parcel tax,

Prop Y, and joint use agreements are all incorporated into the budget. There is a reduction of certificated and classified positions as well as budget reductions in the areas of management as agreed by the Board at their February workshop. If the Governor's tax measure does not pass, there will be sufficient funds to support only the first year with large reductions needed in the second and third year. Ms. Maez also stated that the feasibility committee appointed by the Board has plans to poll the local community on future bonds.

The FOC agreed that in talking to the Board and the public about the budget, members of the Board and public should be made aware that even if the tax measure passes, there is an operational deficit that needs to be addressed and that the existing cuts will not be restored. At the end of 2013, the 3% reserve would be about \$5M.

The District and labor associations have sunshined the interests of both sides and the collective bargaining process are technically open. Both current contracts expired June 2011.

The FOC inquired about the District's cashflow situation. Ms. Maez explained that the biggest expenditure impacting cash was employee payrolls. The District is unable to cash in the Measure BB Building Fund but can to use the excess of \$7M in the Developer Fee fund on a temporary basis. The District is scheduled to borrow an amount on the Tax Revenue Anticipation Notes (TRANS) to cover cash shortages.

V. Discussion/Action Items

- A. Review of Measure R Plan: Ms. Maez presented the proposed annual plan of Measure R Expenditures for the 2012-13 fiscal year. Ms. Torres suggested that FTEs be reflected so that the public sees the number of staff funded from Measure R revenue. Mr. Hamilton suggested that an explanation and benchmark be included. Mr. Larmore asked for the details of the actual expenditures. Ms. Maez responded that physical education gained instructional aides; technology included technicians at various sites; art and music programs funded elementary music programs; and library programs funded secondary librarians. The expenditures as proposed are essentially a maintenance of existing effort. A motion was made by Ms. Torres and seconded by Mr. Silvern to recommend the Board approve the Measure R plan as amended. The motion passed unanimously. Ms. Hoffman was absent.
- B. 2012-2013 FOC Charges: Ms. Wagner proposed the following charges were: Per Pupil Budgeting Research similar to what other school districts have implemented at the state level; Detailed Budget Review that would complete a more comprehensive review of the budget in order to increase knowledge and expertise of members serving on the FOC and its ability to educate district's stakeholders about the district's budget; and Malibu Separation Analysis to review all reports and research related to the unification.

Mr. Silvern asked whether other ad hoc committees will be included in the focus. He does not see a need to continue the Special Ed Ad Hoc Committee as a separate financial reporting system has been established.

- C. 2011-2012 FOC Annual Report: Carrie Wagner distributed a draft annual report. A motion was made by Mr. Larmore and seconded by Mr. Silvern to delegate authority to an ad hoc subcommittee to review and finalize the language in Section IV of the report. The ad hoc committee members were Mr. Hamilton, Mr. Vukadinovich, Ms. Wagner, and Mr. Larmore. The motion passed unanimously. Ms. Hoffman was absent.
- D. 2012-13 FOC Meeting Schedule: The FOC agreed to meet on the following Thursdays from 7pm-9pm at the District Office Testing Room, unless otherwise noted:
- September 13, 2012
 - October 11, 2012
 - November 8, 2012
 - December 6, 2012 - Webster Library
 - January 10, 2013
 - February 14, 2013
 - March 14, 2013
 - April 11, 2013 - Webster Library
 - May 9, 2013
 - May 30, 2013
 - June 6, 2013 - Joint Meeting with the Board
- E. FOC Statement of Purpose: Staff will place the FOC statement of purpose approved at the February 21, 2012 FOC meeting on the July Board of Education agenda.

VI. Update from Ad Hoc Committees

- A. Superintendent Advisory Group (SAG) (*D. Vukadinovich*): Mr. Vukadinovich reported that he presented at the April 30, 2012 and May 21, 2012 SAG meeting. A copy of the May 21, 2012 report was distributed to the members of the FOC.
- B. Educating Public on District Finances (*C. Wagner, C. Foster, P. Hoffman, T. Larmore*): No report.
- C. Special Education District Advisory Committee (SEDAC) (*C. Hamilton, P. Silvern*): No report.

VII. Receive and File (Limited Discussion):

- A. SAG Task Committee Report dated May 21, 2012

VIII. Public Comments: None

IX. Next Meeting: June 7, 2012 from 7:00 p.m. – Joint Meeting with Board of Education

X. Adjournment: It was moved by Mr. Hamilton and seconded by Mr. Foster to adjourn at 9:12pm. The motion passed unanimously. Ms. Hoffman and Mr. Silvern were absent.