



## **SMMUSD Financial Oversight Committee Minutes**

**Date: Thursday, March 14, 2013**

**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**

Mr. Larmore called the meeting to order at 7:00p.m.

Committee Members: Craig Foster Patricia Hoffman  
Tom Larmore Gordon Lee  
Shelly Slaugh Nahass DeAndre Parks left @ 8:12pm  
Paul Silvern Stuart Smith  
Cynthia Torres David Vukadinovich arrived @ 7:02pm

Board Liaisons: Jose Escarce

Staff: Jan Maez Kim Nguyen

Absent: Laurie Lieberman Nimish Patel  
Joan Krenik Elliot Baumohl, SAMOHI  
Emma London, Malibu HS

Public: Debra Moore-Washington, Assistant Superintendent of HR  
Bruce Terry, Decision Insite  
Gerardo Cruz arrived @ 7:02pm

### **II. Approval of Minutes** February 13, 2013 meeting

A motion was made by Ms. Hoffman and seconded by Mr. Silvern to approve the February 13, 2013 Minutes as amended. The motion passed unanimously.

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

- A. Decision Insite: Decision Insite representative, Mr. Bruce Terry presented the enrollment forecast report for 2013. Cohort Aging includes out of district transfers of approximately 12.7%. There was a significant bump in Kindergarten enrollment in 2012. There are two types of projections: moderate projection (most aggressive and suitable for facilities planning) and conservative projection (downtrend and suitable for budgeting). Market conditions were looked at when new dwelling units were projected. Dwelling units categorized as "Multi-family" are apartments and "Attached" are condos. A list of addresses of proposed dwelling units as well as raw data illustrating enrollment projections by dwelling unit project was available. Ms. Hoffman stated that some of the projects listed were ready for immediate leasing.

- B. Budget Update: Ms. Maez reported that the Board approved the 2<sup>nd</sup> Interim Report with positive certification. The District continues to learn on a daily basis of the impact of the Governor's local control funding formula (LCFF). If LCFF is adopted as proposed, the District anticipates \$2M in additional revenue for the 2013-14 fiscal year which would allow the District to eliminate the projected operational deficit with \$2M in expenditure reductions. Senior Staff is meeting with site administrators and department directors in an effort to achieve a 2% across the board budget reduction without reducing staffing ratios. The first principals' management meeting after Spring Break will discuss all those options before taking them to the Board in early May. The goal is to reduce the operational deficit while maintaining the 10% reserves threshold without compromising educational quality. Mr. Silvern questioned page 10 of the 2<sup>nd</sup> Interim Report where the backfill of redevelopment money was shown. There were several large payments and LACOE believes the District will receive a similar amount again in June 2013. Ms. Maez was scheduled to meet with the City of Santa Monica to work through what the District will actually be getting.
- C. Request for Easement by Exposition Metro Line Construction Authority (EXPO): Ms. Maez informed the FOC that the District is working with Southern California Edison and EXPO regarding their request for an easement over District owned property at 902 Colorado Street that has an existing ground lease with STG Three Properties, LLC. The easement, a 5-foot setback, would be for access to the utility box that will be installed adjacent to the property line should access be needed in the future. Ms. Hoffman suggested that the District negotiate for underground placement of the overhead wires.
- D. Measure BB Facilities Update: Ms. Maez reported that the District attended the Malibu planning commission meeting held on March 11, 2013. Staff did an excellent job addressing issues previously raised by the commissioners. The Dark Skies Association has signed off on the plan that includes parking lots with lights, right hand turn lane off of Morningview Drive and changes to all of the exterior lights. The lights are LED and are shielded downward to meet Dark Skies parameters.
- E. Final Measure BB Series Bond Sale: Ms. Maez reported that the sale of \$83M was moving forward with the original structure, which included \$15M of CABS and that preliminary call will be held on March 18, 2013 with the sale occurring on March 19, 2013. There were several other local districts that included CABS in their bond sales without any real pushback. The alternative was to exceed the \$30/year promise to the voters which was not acceptable.

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

- A. Measure R Audit Report: Ms. Maez stated the auditors found no issues and that the senior exemptions were added to the table on page 3 of the audit report at the FOC's request. The Board will be asked to approve the Measure R Audit Report at the March 21, 2013 Board Meeting. A motion was made by Mr. Silvern and seconded by Mr. Lee to recommend to the Board to approve the Measure R audit. The motion passed unanimously.

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

Superintendent Advisory Committee (SAC) (*C. Foster, D. Vukadinovich*): Mr. Vukadinovich and Mr. Foster reported that on February 25, 2013, there was a presentation by Assistant Superintendent Terry Deloria. The message was that there should be definition on how the money will be used before raising the money. Professional development has been a big component as well as excellence in reading and math. The Superintendent is taking the information regarding centralized fundraising to teachers and will eventually meet with PTAs. It is expected that there will soon be information on what that means for each site. The reporting of funds raised already exists and an annual published report will soon be available. The next SAC meeting is March 18, 2013.

Ed Foundation filled two new positions, one to focus on cultivating donors capable of giving over \$5,000+ including parents, community members and corporations/organizations, and the other to handle annual giving campaigns. The annual campaign is underway. The “ask” is a dollar a day or \$365/year.

- A. Local Control Funding (*C. Foster, J. Krenik, P. Hoffman, S. Slaugh Nahass*): Ms. Slaugh Nahass reported that the ad hoc committee determined that it has run its course. Local Control Funding Formula will be agendized under staff report in future meetings to keep the committee up to date with the new legislation.
- B. Detailed Budget Review (*T. Larmore, G. Lee, D. Parks, C. Torres*): Ms. Torres reported that the subcommittee was working on polling and will regroup to aggregate those data.
- C. Malibu Unification (*C. Foster, T. Larmore, P. Silvern, S. Smith, D. Vukadinovich, Students - E. Baumohl and E. London*): Mr. Foster reported that the next phase is to look at bonded indebtedness, parcel tax and collective bargaining to put together a vision, education plan for the new district and petition to LACOE answering the 4 questions raised in the feasibility study.

## **VI. Receive and File (Limited Discussion):**

- A. Decision Insite Enrollment Forecast Report 2013
- B. 2012-13 2<sup>nd</sup> Interim Report
- C. March 5, 2013 Board Presentation 2012-13 2<sup>nd</sup> Interim Report

## **VII. Public Comments:** None

## **VIII. Next Meeting:** Thursday, April 11, 2013 – Webster Library

## **IX. Adjournment:** The meeting adjourned at 8:48 p.m.