



SMMUSD Financial Oversight Committee Minutes

Date: Thursday, May 9, 2013

Time: 7:00 pm to 9:00 pm

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

I. Call to Order

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

Committee Members: Craig Foster Patricia Hoffman
Tom Larmore Joan Krenik arrived @ 7:06p.m.
Gordon Lee DeAndre Parks
Paul Silvern Cynthia Torres

Board Liaisons: Jose Escarce Nimish Patel
Laurie Lieberman arrived @ 7:05p.m.

Staff: Jan Maez Kim Nguyen

Absent: Elliot Baumohl, SAMOHI Shelly Slaugh Nahass
Emma London, Malibu HS David Vukadinovich

Public: None

II. Approval of Minutes April 11, 2013 meeting

A motion was made by Mr. Silvern and seconded by Ms. Torres to approve the April 11, 2013 Minutes as amended. The motion passed unanimously.

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

- A. Budget Update/Local Control Funding: Ms. Maez provided a budget update that was presented to the Board at the April 18 Board meeting. The update included previous and current year reductions as well as standards used in the budgeting process that include staffing ratios, custodial staffing, multi-projection, projected budget and 2% reduction by department. Ms. Maez stated that the requirement at full funding of LCFF is multi-year and not expected to be fully funded until 2019-20. LCFF should provide added back to the district. Staff is still expecting a big reduction in Special Education department budget to be finalized. There are no staffing ratio changes for teaching positions. Departments with vacant positions are analyzing the need to fill positions. Ms. Maez presented numbers from the 2nd Interim with projections. Recent posting of local property tax revenues by LACOE included Proposition 30 and Education Protection Account (EPA). The District is receiving about \$8M RDA funds that are revenue limit offsets. She explained how the revenue limit calculation is used to determine how much districts receive in state aid. Local property taxes, RDA payment and Prop 30 funds all impact the final state aid. If the entitlement less property tax is greater than EPA, then

the EPA calculation is reduced to a minimum amount. That amount for SMMUSD will never go below a reduction of about \$2M or \$200 per student because there was a one-time large infusion of RDA money. This year, the District will receive both local property tax and RDA as well as the \$2M minimum of EPA money (Prop 30).

For 2012-13 only, there will be an increase in the fund balance that will bring the contingency reserve to about \$14M if the numbers stay the same. The \$8M RDA money is one time and will go away completely in 2014-15. The RDA dissolution was never intended to give school districts more money. Everything that came to District was to pass through to the state on the revenue limit as a reduction of the District's state aid.

- B. Request for Easement by Exposition Metro Line Construction Authority (EXPO): Ms. Maez informed the FOC that the District is continuing to negotiate with Southern California Edison and EXPO. There will be an amendment to the Right of Entry because at the time of the Board's approval in March 2013, the District had been informed that no part of the proposed vault would be placed on or beneath the property line and the Right of Entry Agreement reflected that assumption. Since the Board's approval, the District was informed by EXPO that there will now be a 10" intrusion of the proposed vault onto the property. There was a 3-5 foot easement but it has since been reduced to 1.5 feet. An amended Right of Entry is being prepared for Board approval at the May 16 Board meeting.

IV. Discussion/Action Items

- A. Ed Lin – Santa Monica-Malibu Education Foundation: Mr. Lin will present at the May 30, 2013 FOC meeting.
- B. Measure R Annual Plan: A motion was made by Ms. Krenik and seconded by Mr. Parks to recommend to the Board approval of the Measure R Annual Plan. The motion passed unanimously.
- C. Tasks for 2013-14: Members discussed the committee tasks for 2013-14 and agreed on Malibu Unification, Detailed Budget Review, and Pension Obligation.
- D. Annual Report to the Board: Members discussed the content of the annual report to the Board that will include some of the committee's accomplishments such as meeting with Keygent, Decision Insite, extension of terms to match the school year, refunding of bonds, Measure ES, members involved in district related activities such as Superintendent Advisory Committee.

V. Update from Ad Hoc Committees

- A. Superintendent Advisory Committee (C. Foster, D. Vukadinovich): Mr. Foster reported that since the last FOC meeting, there was one meeting at Malibu HS. Assistant Superintendent Deloria provided the SAC with the academic vision of the plan. It

initiated as an informational meeting that later became the series of parent meetings and full community outreach. In the interest of time, the meetings were consolidated with more than one school site. The Education Foundation has hired their second staff position for the annual giving program. Ms. Krenik reported that Centralized Fundraising has been rebranded to “Vision for Students Success.” A site specific informational one-sheet that will go on the back of the flyer is awaiting final approval. The fundraising window for 2014-15 school year was set as January through December 2013. Mr. Larmore suggested approaching and messaging the business community might be another task that the SAC should explore. Mr. Parks suggested that company match from parent donations be explored.

- B. Detailed Budget Review (*T. Larmore, G. Lee, D. Parks, C. Torres*): Ms. Torres reported that the subcommittee will continue working over the summer.
- C. Malibu Unification (*C. Foster, T. Larmore, P. Silvern, S. Slaugh Nahass, E. Baumohl, E. London*): Mr. Foster reported that the next WestEd phase study was contracted. A copy of the finalized report with incorporated input from the attorneys consulted will be circulated. The estimated due date is June 30. The idea is to create two school districts, resolving issues of bonded debt, parcel taxes while fairly splitting the assets, and considering employed and contractual obligations.

Mr. Larmore announced that Stuart Smith resigned and on the next meeting will agendize.

VI. Receive and File (Limited Discussion):

- A. Budget Presentation
- B. Measure R Annual Plan

VII. Public Comments: None

VIII. Next Meeting: Thursday, May 30, 2013 –no Cynthia/joan/Gordon-maybe/paul, june 6-no deandre

IX. Adjournment: The meeting adjourned at 8:29 p.m.