



## **SMMUSD Financial Oversight Committee Minutes**

**Date: Thursday, September 13, 2012**

**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**

The meeting was called to order at 7:00p.m. by Mr. Larmore.

<u>Committee Members:</u>	Tom Larmore, Vice Chair	Craig Foster arrived @ 7:11pm
	Patricia Hoffman	Craig Hamilton arrived @ 7:08pm
	Gordon Lee	Daniel McGee
	Paul Silvern	Shelly Slaugh Nahass
	Cynthia Torres	David Vukadinovich

<u>Board Liaisons:</u>	Laurie Lieberman	Nimish Patel arrived @ 7:22pm
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<u>Student Members:</u>	Emma London	Elliot Baumohl
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<u>Staff:</u>	Jan Maez	Kim Nguyen
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<u>Absent:</u>	Jose Escarce	Carrie Wagner
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<u>Public:</u>	Tony Hsieh – Keygent	Heidi Kleis – SMMCTA arrived @ 7:03pm
	Ben Allen – Board Member arrived @ 7:22pm	

### **II. Introduction of Student Representatives**

Mr. Larmore and the FOC welcomed student representatives Emma London from Malibu High School and Elliot Baumohl from Santa Monica High School.

### **III. Approval of Minutes**                      May 29, 2012 and June 7, 2012 meeting

A motion was made by Mr. Silvern and seconded by Mr. Lee to approve the May 29, 2012 Minutes as amended. The motion passed unanimously. Ms. Wagner, Mr. Foster, and Mr. Hamilton were absent.

A motion was made by Mr. Silvern and seconded by Ms. Hoffman to approve the June 7, 2012 Minutes. The motion passed unanimously. Ms. Wagner, Mr. Foster, and Mr. Hamilton were absent.

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

- A. Budget Update: Ms. Maez reported that the Board approved the 2011-12 Unaudited Actual Report. The unreserved General Fund was approximately \$1.5 million higher than expected in June at the 2012-13 Budget Adoption. Items having an impact on that difference were Prop Y money, utility usage costs, E-Rate, and carryovers. She reminded the FOC that Developer Fee Fund is not available for new projects but as allocation for Measure BB. She explained why the District is losing the RDA funds for the SAMOHI CCJUP project. There is dispute regarding the date the Department of Finance is using and they have deemed the agreement unenforceable. The Bond Fund, at the end of the year had \$89M in bond fund reserves to pay for projects at SAMOHI, Edison, and John Adams currently underway. Mr. Silvern questioned the negative fund balance in GASB 45/Fund 67. Ms. Maez explained that the auditors require the District to book the amortized portion of all assets and liabilities of the District. This was reflected as the liability portion of the long term debt payment. This reporting is done on an annual basis and is expenditure in itself. Every year, the deficit and negative ending balance will grow reflecting the portion of District's debt they are booking.
- B. District Financings: Mr. Lee introduced Mr. Hsieh from Keygent who provided an overview that included District Assessed Value, Bonding Capacity, Interest Rates, Summary of Outstanding Bonds, Issuance of Remaining Measure BB, and Series D Preliminary Debt Service Schedule as well as Prospective 2012 General Obligation Refunding Bonds and Current Credit Ratings. Mr. Hsieh answered questions from FOC members regarding growth rates, interest rates and potential election impacts, differences in ratings, factors of concern, impacts on the District should the bond measure pass in November, and overall debt burden.

#### **V. Discussion/Action Items**

- A. FOC Leadership: Mr. Larmore suggested and members of the FOC concurred that the current leadership of the FOC remain in place until January. Election of new officers will be placed on the agenda for December meeting for terms to commence January 2013.
- B. FOC Nominating Committee: Mr. Lee proposed to start the process as soon as possible. Ms. Slauch Nahass will Chair the committee with Ms. Torres, Ms. Hoffman and Mr. Foster as members of the committee.
- C. FOC Statement of Purpose: Mr. Larmore reported that the Statement of Purpose was approved by the Board at their August 1, 2012 Board Meeting; however, keeping the sentence that was crossed out in Section III but changed "will" to "may."
- D. Calendar change of FOC Meeting Dates: The FOC discussed and agreed on the rescheduling of the November 8, 2012 to November 7, 2012 and the February 14, 2013 meeting date to February 13, 2013.

- E. Ad Hoc Subcommittees: The membership of the Ad Hoc Committees for 2012-13 are:
1. Per Pupil Budgeting Research - Ms. Wagner, Mr. Foster, Ms. Hoffman, Ms. Slauch Nahass
  2. Detailed Budget Review - Mr. Hamilton, Mr. Lee, Ms. Torres, Mr. Vukadinovich
  3. Malibu Unification - Mr. Foster, Mr. Larmore, Mr. Silvern, Mr. Vukadinovich, Mr. Baumohl, Ms. London

**VI. Update from Ad Hoc Committees**

- A. Superintendent Advisory Group (SAG) (*D. Vukadinovich*): Mr. Vukadinovich reported that the SAG met once after their presentation to the Board. The group took the summer off and has been reconfigured from SAG to Superintendent Advisory Committee (SAC) who are scheduled to meet on September 24, 2012.

**VII. Receive and File (Limited Discussion):**

- A. Conflict of Interest Statement
- B. June 22, 2012 Goodwin Simon Strategic Research Memorandum re: Key Findings from 2012 Voter Survey for Possible Parcel Tax
- C. July 3, 2012 Goodwin Simon Strategic Research Memorandum re: Key Findings from 2012 Voter Survey for Possible School Bond Measure

**VIII. Public Comments:** Ms. Wu from Health and Safety DAC and Early Childcare DAC introduced herself that she is working on a district-wide community service requirement in order for students to graduate. She requested a letter of recommendation and support from the FOC. Ms. Maez responded that she will discuss with the Chair on placing this item on the next agenda. Mr. Silvern questioned whether it was appropriate for the FOC to take a position.

**IX. Next Meeting:** October 11, 2012 - 7:00 p.m.

**X. Adjournment:** It was moved by Mr. Foster and seconded by Mr. Larmore to adjourn at 8:39pm. The motion passed unanimously. Ms. Wagner was absent.