



SMMUSD Financial Oversight Committee Minutes

Date: Thursday, January 12, 2017

Time: 7:00 pm to 9:00 pm

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

I. Call to Order

7:01 pm

Committee Members: Joan Krenik
Gordon Lee
Paul Silvern
Tom Larmore

Marc Levis-Fitzgerald arrived @ 7:04p.m.
Debbie Mulvaney
Shelly Slaugh Nahass

Staff: Jan Maez Kim Nguyen

Board Liaisons: Laurie Lieberman arrived @ 7:14 p.m.

Absent: Alex Farivar Sky Petretti, Malibu student rep
Seth Jacobson Griffin James, SAMOHI student rep
Manel Sweetmore Craig Foster

Public: Marcy Fimbres, Christy White Accountancy departed @ 7:21 p.m.
Jon Kean arrived @ 7:14 p.m. and departed @ 7:42 p.m.

II. Approval of Minutes

7:02 pm

A motion was made by Mr. Silvern and seconded by Ms. Slaugh Nahass to approve the December 8, 2016 minutes.

AYES: Five (5) (Ms. Krenik, Mr. Lee, Ms. Mulvaney, Mr. Silvern, Ms. Slaugh Nahass,)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Four (4) (Mr. Farivar, Mr. Jacobson, Mr. Levis-Fitzgerald, Mr. Sweetmore)

ABSTAIN: One (1) (Mr. Larmore)

III. Staff Report

7:21 pm

A. Budget Update

Ms. Maez provided the committee with the unrestricted general fund multi-year projection and presented two scenarios: with and without one-time funds. Ms. Maez explained that Measure GS will be effective April 1, 2017.

Ms. Maez's handouts may be found at the end of these minutes.

IV. Discussion/Action

7:03pm A. District Audit

Ms. Fimbres from Christy White Accountancy presented the district audit report for Fiscal year 2015-16. She explained that there was an audit exception dealing with instructional minutes for period 0 and 7 at SAMOHI. In the Fall semester during finals, the two periods were combined and counted as part of instruction time. However, this action is not allowed because period 7 is optional and cannot count toward the 180 instructional days. Mr. Silvern pointed out that on page 4 of the district audit report, it should read, "...exceed by expense." The committee discussed the various property taxes received listed on page 13. The committee asked staff to step out of the meeting room so they would be able to speak directly to the District auditor.

After a brief discussion, a motion was made by Mr. Silvern and seconded by Mr. Lee to commend staff for the terrific management of the district budget in 2015-16 and to recommend to the Board of Education to accept approval of the District Audit report at the February 2, 2017 Board meeting.

The 2015-16 District Audit report may be found at:

<http://www.smmusd.org/fiscal/BudgetDocs/AuditReport120916.pdf>.

AYES: Seven (7) (Ms. Krenik, Mr. Larmore, Mr. Lee, Mr. Levis-Fitzgerald, Ms. Mulvaney, Mr. Silvern, Ms. Slaugh Nahass,)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Three (3) (Mr. Farivar, Mr. Jacobson, Mr. Sweetmore)

ABSTAIN: None (0)

V. Ad hoc Subcommittee Update

7:03 pm A. Sustainability: Ms. Slaugh Nahass (Chair), Mr. Jacobson, Mr. Levis-Fitzgerald

Ms. Slaugh Nahass reported that the subcommittee is awaiting the staff name of who will be the District contact on sustainability upon the retirement of the Purchasing Director on January 31, 2017.

7:40 pm B. District Budget: Ms. Krenik (Chair), Mr. Farivar, Mr. Lee

Ms. Krenik reported that the January 11, 2017 District Budget Committee meeting was rescheduled to February 2, 2017. The committee will meet soon to determine and assign the data they will review.

7:44 pm C. Nominating Subcommittee: *Ms. Slaugh Nahass (Chair), Mr. Farivar, Mr. Jacobson, Mr. Levis-Fitzgerald*

Ms. Slaugh Nahass reported that there were seven (7) applications received. The subcommittee will meet on January 19, 2017 to interview those candidates and will bring forward a recommendation to the full committee at the next FOC meeting.

VI. Receive and File (Limited Discussion)

VII. Public / Committee Comments

None

VIII. Next Meeting: Thursday, February 9, 2017

IX. Adjournment: The meeting adjourned at 7:50 p.m.

SANTA MONICA-MALIBU USD

MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL FUND

Including Cuts and New GSH Expenditures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Description	UNAUDITED ACTUALS	UNAUDITED ACTUALS	UNAUDITED ACTUALS	FIRST INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
Revenue:						
Property Tax	65,814,145	72,572,371	73,665,773	75,937,733	79,926,794	83,825,666
Education Protection Account (EPA)	2,177,336	2,169,846	2,159,478	2,159,176	2,151,600	-
LCFF Transfer to Fund Fund 11 - Adult Ed	(12,628)	(187,628)				
LCFF Transfer to Fund Fund 14- Def Maint	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
LCFF Transfer to Charter School & County Specialized secondary school	(83,038)	(81,164)	(110,360)	(110,500)	(112,000)	(112,000)
LCFF State Aid	1,983,763	1,582,875	8,526,545	9,512,812	6,962,859	6,338,578
Minimum State Aid - \$8,585,843		7,002,968	59,298		1,622,984	2,247,265
Subtotal LCFF Funding	69,629,578	82,809,268	84,050,734	87,249,221	90,302,237	92,049,509
Prior Year LCFF Adjustment		6,602,080				
Other Federal	15,795	13,690	262,529	13,000	13,000	13,000
Lottery	1,494,551	1,489,605	1,664,714	1,600,000	1,600,000	1,600,000
Mandated Reimbursement Block Grant	406,563	1,127,895	6,111,310	2,693,336	395,000	395,000
Other State Revenue	111,489	36,083	6,579	5,000	5,000	5,000
Meas. "R"	11,208,995	11,280,274	11,301,682	11,651,225	11,884,250	12,121,934
Meas. YY / City of SM	7,488,221	6,608,435	7,952,230	8,000,000	8,200,000	8,400,000
Meas. GSH / City of SM					8,200,000	8,400,000
Joint Use Agreement/ City of SM	8,282,650	8,448,303	8,617,269	8,800,000	9,000,000	9,200,000
All Other Local Income	3,467,913	3,691,635	4,420,423	3,981,000	4,000,000	4,000,000
SMMEF Donation	117,165	3,203,730	2,365,721	2,030,276	2,000,000	2,000,000
Local General Fund Contribution	(18,843,124)	(19,937,657)	(22,754,111)	(25,914,697)	(26,432,991)	(26,961,651)
TOTAL REVENUE	83,377,785	105,373,340	103,999,079	100,108,360	109,166,496	111,222,792
Expenditure:						
Certificated Salary	44,436,065	47,401,002	50,568,173	53,578,695	54,382,375	55,198,111
Classified	14,386,104	16,206,905	17,615,212	18,558,564	18,836,942	19,119,497
Benefits	19,974,045	22,125,603	23,243,568	26,272,775	28,542,233	30,924,951
STRS	3,614,166	4,142,592	5,305,035	6,671,516	7,847,377	8,986,252
PERS	1,536,214	1,691,135	1,876,733	2,369,663	2,627,753	2,942,491
SOCIAL SECURITY & MEDICARE	1,747,042	1,919,523	2,089,165	2,221,150	2,229,571	2,263,014
HEALTH AND WELFARE	9,792,997	10,113,792	10,401,884	11,210,261	11,994,979	12,834,628
SUI	140,966	33,407	33,804	40,113	41,610	42,159
WORKERS COMP	1,649,789	1,910,898	2,597,200	2,737,734	2,782,334	2,824,069
OPEB	1,433,436	2,245,785	852,605	898,970	915,241	928,970
CASH IN -LIEU	59,435	68,471	87,143	103,368	103,368	103,368
Supplies/Books	1,481,445	2,134,314	2,354,770	2,762,697	2,800,000	2,800,000
Other Operational Costs	6,577,973	7,868,891	9,108,685	9,674,312	9,000,000	9,000,000
Capital Outlay	137,461	396,786	454,895	1,309,340	150,000	150,000
Debt Services	24,590	53,388	53,388	53,389	53,396	
Indirect	(971,442)	(1,003,204)	(1,058,830)	(1,086,786)	(1,000,000)	(1,000,000)
Interfund Transfer Out to FUND 12 - CDS	307,452	170,119	234,491	389,682	-	-
Interfund Transfer Out to FUND 13 - FS		260,000	350,000	130,000	130,000	130,000
LCAP Increase above prior year					404,936	202,683
NEW GSH EXPENDITURES					4,000,000	4,000,000
REDUCTION PLAN 2017-18					(4,500,000)	(4,500,000)
TOTAL EXPENDITURE	86,353,693	95,613,784	102,924,151	111,642,678	112,799,882	116,025,243
Increase (Decrease) Fund Balance	(2,975,908)	9,759,556	1,074,928	(11,534,318)	(3,633,386)	(4,802,451)
Beginning Fund Balance	24,751,272	21,775,364	31,534,920	32,609,848	21,075,530	17,442,145
Ending Fund Balance	21,775,364	31,534,920	32,609,848	21,075,530	17,442,145	12,639,695
Reserve - Revolving cash, Store	106,882	118,311	152,233	100,000	100,000	100,000
Reserve - Carryover	387,746	865,199	1,120,239			
3% Contingency Reserve	3,702,586	3,971,305	4,348,336	4,806,479	4,760,078	4,889,727
Unallocated	17,578,150	26,580,105	26,989,040	16,169,051	12,582,067	7,649,968

w/o one-time funding

SANTA MONICA-MALIBU USD
MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL FUND

Including Cuts and New GSH Expenditures

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Description	UNAUDITED ACTUALS	UNAUDITED ACTUALS	UNAUDITED ACTUALS	FIRST INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
Revenue:						
Property Tax	65,814,145	72,572,371	73,665,773	75,937,733	79,926,794	83,825,666
Education Protection Account (EPA)	2,177,336	2,169,846	2,159,478	2,159,176	2,151,600	-
LCFF Transfer to Fund Fund 11 - Adult Ed	(12,628)	(187,628)				
LCFF Transfer to Fund Fund 14- Def Maint	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
LCFF Transfer to Charter School & County Specialized secondary school	(83,038)	(81,164)	(110,360)	(110,500)	(112,000)	(112,000)
LCFF State Aid	1,983,763	1,582,875	8,526,545	9,512,812	6,962,859	6,338,578
Minimum State Aid - \$8,585,843			59,298		1,622,984	2,247,265
Subtotal LCFF Funding	69,629,578	75,806,300	84,050,734	87,249,221	90,302,237	92,049,509
Prior Year LCFF Adjustment						
Other Federal	15,795	13,690	262,529	13,000	13,000	13,000
Lottery	1,494,551	1,489,605	1,664,714	1,600,000	1,600,000	1,600,000
Mandated Reimbursement Block Grant	406,563	400,000	400,000	400,000	395,000	395,000
Other State Revenue	111,489	36,083	6,579	5,000	5,000	5,000
Meas. "R"	11,206,995	11,280,274	11,301,682	11,651,225	11,884,250	12,121,934
Meas. YY / City of SM	7,488,221	6,608,435	7,952,230	8,000,000	8,200,000	8,400,000
Meas. GSH / City of SM					8,200,000	8,400,000
Joint Use Agreement/ City of SM	8,282,650	8,448,303	8,617,269	8,800,000	9,000,000	9,200,000
All Other Local Income	3,467,913	3,691,635	4,420,423	3,981,000	4,000,000	4,000,000
SMMEF Donation	117,155	3,203,730	2,365,721	2,030,276	2,000,000	2,000,000
Local General Fund Contribution	(18,843,124)	(19,937,657)	(22,754,111)	(25,914,897)	(26,432,991)	(26,961,651)
TOTAL REVENUE	83,377,785	91,040,397	98,287,769	97,815,024	109,166,496	111,222,792
Expenditure:						
Certificated Salary	44,436,065	47,401,002	50,568,173	53,578,695	54,382,375	55,198,111
Classified	14,386,104	16,206,905	17,615,212	18,558,564	18,836,942	19,119,497
Benefits	19,974,045	22,125,603	23,243,568	26,272,775	28,542,233	30,924,951
STRS	3,614,166	4,142,592	5,305,035	6,671,516	7,847,377	8,986,252
PERS	1,536,214	1,691,136	1,876,733	2,389,663	2,627,753	2,942,491
SOCIAL SECURITY & MEDICARE	1,747,042	1,919,523	2,089,165	2,221,150	2,229,571	2,263,014
HEALTH AND WELFARE	9,792,997	10,113,792	10,401,884	11,210,261	11,994,979	12,834,628
SUI	140,966	33,407	33,804	40,113	41,610	42,159
WORKERS COMP	1,649,789	1,910,898	2,597,200	2,737,734	2,782,334	2,824,069
OPEB	1,433,436	2,245,785	852,605	898,970	915,241	928,970
CASH IN -LIEU	59,435	68,471	87,143	103,368	103,368	103,368
Supplies/Books	1,481,445	2,134,314	2,354,770	2,762,697	2,800,000	2,800,000
Other Operational Costs	6,577,973	7,868,891	9,108,685	9,674,312	9,000,000	9,000,000
Capital Outlay	137,461	396,786	454,895	1,309,340	150,000	150,000
Debt Services	24,590	53,388	53,388	53,389	53,386	
Indirect	(971,442)	(1,003,204)	(1,058,830)	(1,086,786)	(1,000,000)	(1,000,000)
Interfund Transfer Out to FUND 12 - CDS	307,452	170,119	234,491	389,692	-	-
Interfund Transfer Out to FUND 13 - FS		260,000	350,000	130,000	130,000	130,000
LCAP increase above prior year					404,936	202,683
NEW GSH EXPENDITURES					4,000,000	4,000,000
REDUCTION PLAN 2017-18					(4,500,000)	(4,500,000)
TOTAL EXPENDITURE	86,353,693	95,613,784	102,924,151	111,642,678	112,799,882	116,025,243
Increase (Decrease) Fund Balance	(2,975,908)	(4,573,387)	(4,636,382)	(13,827,654)	(3,633,386)	(4,802,451)
Beginning Fund Balance	24,751,272	21,775,364	17,201,977	12,565,595	(1,262,059)	(4,895,444)
Ending Fund Balance	21,775,364	17,201,977	12,565,595	(1,262,059)	(4,895,444)	(9,697,895)
Reserve - Revolving cash, Store	106,882	118,311	152,233	100,000	100,000	100,000
Reserve - Carryover	387,746	865,199	1,120,239			
3% Contingency Reserve	3,702,586	3,971,305	4,348,336	4,806,479	4,760,078	4,889,727
Unallocated	17,578,150	12,247,162	6,944,787	(6,168,538)	(9,755,522)	(14,687,620)