



**Santa Monica-Malibu Unified School District
Board Committee**

Financial Oversight Committee

Minutes

April 12, 2005

Time: 7:00 to 9:00 p.m.

**Location: Testing Room of the School District's Administrative Offices
1651 16th Street, Santa Monica, CA**

Attendance: (*Committee Members*) Paul Silvern [*Chair*], Carolyn Galantine, Craig Hamilton, Chris Harding, Patricia Hoffman, Denny Kernochan, Mike Phillips, Cheryl Stecher [*Vice-Chair*], Cynthia Torres. (*Board Liaisons*) Julia Brownley, Kathy Wisnicki. (*Staff*) Winston Braham, Dawn Smithfield. (*Public*) Jim Jaffe.

I. Call to Order

The meeting was Called to Order at 7:08 p.m. by Vice Chair Stecher.

II. Approval of the Minutes

A motion was made by Mr. Hamilton and seconded by Ms. Hoffman to approve the Minutes from the March 8, 2005 meeting. Motion carried.

III. Staff Report: Chief Financial Officer Winston A. Braham

- A. Governmental/Legislative Issues: Mr. Braham informed members that the SMMCTA bargaining agreement will sunshine at the next Board Meeting. The Governor is backpedaling on privatizing pensions. The District will receive a favorable Certification on our 2nd Interim Report. STRS is still "on the table". We're still waiting...
- B. LACOE Workshop: 2005-06 Proposed State Budget & Related Finance Legislation. This document was distributed to members, and Mr. Braham explained that it is the "official interpretation" of all local educational agencies' budgets. This will represent everything we'll do for the 2005-06 Budget.
- C. Financial Commitment Letter from the City of Santa Monica to LACOE. This letter from Susan McCarthy, Santa Monica City Manager, was sent to Mel Iizuka, our Business Services Consultant at LACOE, confirming that \$6 million has been specifically provided for SMMUSD. A copy of the letter was given to members, who were thrilled about the letter the City sent to LACOE.
- D. SSC's Comparative Budget and Salary Data: This was handed out to members. Mr. Braham told members that there will be a handout at the next meeting regarding classified and certificated historical pay increases.
- E. 2005-06 Budget Planning Process: Mr. Braham said the process for 2005-06 Budget Planning is on target, according to the Budget Planning Calendar. Members want to help the District with how the budget will be presented in order to make it more user-friendly to the public, including a simplified summary. The FOC will assist the District in getting their points across to the public.

- F. Workers' Compensation/Medical Health & Benefits. This was distributed to members. Mr. Braham stated that the Governor is trying to restructure Workers' Compensation in California. This is a comprehensive document and has significant financial implications to the District. We have a plan being put into place to decrease the number of claims and get people back to work.
 - G. Hazard Mitigation Plan: We are in the process of putting together a Hazard Mitigation Plan, and should be presenting this at the next Board Meeting. We have been working in collaboration with Santa Monica College and Dimensions Unlimited, Inc. If there is a disaster, FEMA will help if we have a Hazard Mitigation Plan in place (i.e. replacement value). Once the Plan has been put together and Board-approved, it will be sent to Sacramento for a courtesy review.
 - H. 6th Month Enrollment Summary by Permit Status: This was handed out to members. Mr. Braham explained that the P-2 ADA information will be given to members at the next meeting.
 - I. SSC's Fiscal Report Excerpt: Listing of 1st Interim Negative & Conditional Certifications: This listing contained the names of all California school districts which received Negative or Qualified Certifications. Fortunately, our District received a Positive Certification.
- IV. Review and Discussion of Pending Board of Education Agenda Items:**
- A. Status of \$20 Million Certificates of Participation (COPs) Reserve Fund - Series B & C: On April 25, 2005, Mr. Braham will go to San Francisco with representatives from Piper Jaffray to meet with the rating agencies to ensure the District receives a good Securities & Exchange Committee (SEC) rating.
 - B. Certificated Salary/Benefits by Site Comparison (Page 58h of Item I.1 at 3/17/05 Board Meeting): This spreadsheet was distributed to members.
- V. Old Business:**
- A. Process for Capital Programs/Resources: Mr. Hamilton gave an update on the first meeting of the Ad Hoc Facilities Committee, and said that the next meeting is scheduled for March 14, 2005.
 - B. Arbitrage Calculation, Rebate and Securities & Exchange Commission (SEC) Disclosures: Mr. Braham advised that the contract has been executed for these services.
 - C. Executed Contract for GASB 45 Actuarial Study: Mr. Braham advised that the contract has been executed for these services.
- VI. New Business:**
- A. Conflict of Interest Statement: The Conflict of Interest Statement was revised to include the names of our new members (Ms. Galantine, Mr. Kernochan and Mr. Phillips). All members signed the document, and a copy will be distributed to members at the next FOC meeting.
 - B. Updated Committee Roster: The Roster was revised to include the names of our new members and was given to each FOC member.

C. Identification and Review of Key Projects with Significant Fiscal Impact: One of the main concerns is the Local General Fund Contribution (LGFC) for Special Education. It was requested that Tim Walker, Assistant Superintendent of Special Education, be invited to the next FOC meeting to discuss the Deficit Reduction Plan demanded by LACOE. This Plan is a significant piece and will be noted in the Certification letter.

D. Other Items, as Needed:

1. Memo from Paul Silvern to FOC Members RE: Summary Comments on the Revised Draft of the City-School District Contract: Chair Silvern gave copies of his memo to FOC members for review and discussion.

2. Measure “S” Expenditure Audit: Mr. Braham explained that Roy J. Blair, our Auditor, is in the process of auditing Measure “S” expenditures. It was requested that he present this information to the FOC at the next meeting on May 10, 2005. Mr. Braham said we will have an in-house report/summary of accounts at the next meeting.

3. Review of Meeting Schedule: The next FOC meetings are scheduled for May 10 and June 14, 2005. The date for the joint meeting with the Board has not yet been confirmed by the Board Secretary. It was suggested that an additional FOC meeting on May 24 might be necessary to prepare the report for the joint meeting with the Board.

4. Director of Fiscal Services Interviews: The final interviews for the Director of Fiscal Services will take place on April 20, 2005.

5. EdSource Materials: School District and State Budget Cycle Calendar and Understanding School District Budgets: It was requested that the above-listed materials be sent to the new FOC members.

VII. Public Comments:

Jim Jaffe

VII. Agenda Planning for the Next Meeting:

Tuesday, May 10, 2005

VII. Adjournment. Meeting adjourned at 8:54 p.m.