



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

Financial Oversight Committee

Minutes - Amended

November 23, 2004

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*], Craig Hamilton, Chris Harding, Cheryl Stecher [*Vice-Chair*], Cynthia Torres, Kathy Wisnicki. (*Staff*) John Deasy, Winston Braham, Dawn Smithfield. (Public) Jim Jaffe.

Absent: Patricia Hoffman. (*Board Liaisons*): Julia Brownley, Maria Leon-Vazquez.

I. Call to Order

The meeting was Called to Order at 7:05 p.m. by Chair Silvern.

II. Approval of the Minutes

A motion was made by Mr. Harding and seconded by Mr. Hamilton to approve the Minutes from the September 27, 2004 meeting. Motion carried.

III. Staff Report: Superintendent John Deasy

A. Introduction of Chief Financial Officer, Winston A. Braham: Superintendent Deasy introduced Winston Braham, the new Assistant Superintendent of Fiscal & Business Services/Chief Financial Officer. Mr. Braham has extensive experience in both the public and private sector and will be working to strengthen the infrastructure as we handle the budget planning process.

B. Governmental/Legislative Issues: Superintendent Deasy stated that this will be the one of the most contentious budget years in California. The State's Proposition 98 money will increase for the first time in four years, however, the State debt is increasing and the deficit will be between \$14 - \$16 billion. Proposition 98 funding was deferred last year so it's due to the school districts this year, however, the Legislative Analyst has requested that it not be paid. If paid, it would be catastrophic to other State departments. We must be cautious in planning the 2005-06 budget, especially because the reserve requirement, which was lowered to 1.5% for 2004-05, is being reinstated to 3% for 2005-06.

C. Status of City Contract: We do not yet have a copy of the contract which has been reviewed by the City Attorney's office, but is now being reviewed by Barbara Stinchfield, Director of Community & Cultural Services. Superintendent Deasy is meeting tomorrow with Susan McCarthy, City Manager, and will ask for information to include in his report to the Board of Education on December 9, 2004.

D. Other Items, as Needed:

1) First Interim Report: This will be submitted for Board approval at the December 9, 2004 Board Meeting. We're currently in declining enrollment and a report on same will go to the Board and the FOC. We need to increase the Reserve and will provide options to accomplish this. In response to members' request, Superintendent Deasy explained that enrollment projections should be available in February, 2005.

2) 2003-04 Audited Financial Statement: This will be submitted for Board approval in January, 2005.

3) Interim Director of Fiscal Services: Superintendent Deasy stated that Beth Connors, Fiscal Services Director, has been replaced as Interim Director by Virginia Hyatt. The reorganization of the Classified and Certificated Personnel offices will include the taking over of the health benefit issues from Fiscal Services, and we're bringing in a consultant to handle these issues.

4) Board Agendas Via Email: Members stated they haven't been getting the email notices about the Board Meeting Agendas. Superintendent Deasy will inform Karen Garot to be certain they're included on the email list.

IV. **Review and Discussion of Pending Board of Education Agenda Items**

A. Approval of Refund of School Facility Fees:

B. Adopt Resolution: Assign Delinquent Tax Receivables to JPA: A copy of the November 4, 2004 Board Agenda item A.15 [*Adopt Resolution No. 04-07 - Assignment of Delinquent Tax Receivables to Joint Powers Authority*] was distributed. **This item was adopted by the Board.**

C. Amend Charge for Financial Oversight Committee: A copy of the November 18, 2004 Board Agenda item A.09 [*Amend Charge for Financial Oversight Committee*] was distributed. **This item was adopted by the Board.**

V. **Old Business**

A. Appointment of FOC Vacancies: Chair Silvern offered congratulations on behalf of the F.O.C. to Kathy Wisnicki for her recent election to the Board of Education. This leaves a third vacancy on the FOC and applications were distributed to members. District staff and the public left the room during which time the members reviewed and discussed the various applicants in order to recommend three replacements for the FOC to the Board of Education for the December 9, 2004 Board Meeting.

B. Process for Capital Programs/Resources:

VI. **New Business**

A. Preliminary Discussion about Annual Budget Preparation and Communication Process: Committee members would like to work with Mr. Braham in regards to structuring the **budget bond** planning process, creating a user-friendly budget, and elevating public perception and need to receive timely financial information in order to contribute to the decision-making process.

- B. Monthly Variance Report: Superintendent Deasy said this should be available in December.
- C. Comprehensive Facilities Needs Assessment: The Board is appointing an Ad Hoc Facilities Advisory Committee, comprised of community members, City liaisons and a Prop X Oversight Committee member liaison, at the December 9, 2004 Board Meeting. Chair Silvern will send an email to Karen Garot to request that Chris Harding be appointed to that committee as the FOC liaison.
- D. Status of AB1200: This requires an extended process of negotiation for the Service Employees International Union (SEIU). The Board will act on this officially at a January, 2005 Board Meeting for a positive certification.

VII. Public Comments:
Jim Jaffe

VIII. Agenda Planning for the Next Meeting: Tuesday, January 25, 2005
Budget Planning Process and Budget Planning Calendar

IX. Adjournment. Meeting adjourned at 9:00 p.m.