



**Santa Monica-Malibu Unified School District  
Board Committee  
Financial Oversight Committee  
Minutes**

**March 7, 2006                      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, Chris Harding, Denny Kernochan, Mike Phillips, Cheryl Stecher [Co-Chair], Cynthia Torres. (Staff) Michael D. Matthews, Douglas Staine, Winston Braham, Dawn Smithfield. (Board Liaison) Oscar de la Torre. (Public) Barbara Inatsugu, Jim Jaffe.  
Absent: Craig Hamilton, Patricia Hoffman, (Board Liaison) Julia Brownley.

**I. Call to Order**

The meeting was Called to Order at 7:09 p.m. by Committee Chair Paul Silvern.

**II. Approval of the Minutes:**

A Motion was made by Mr. Harding and seconded by Mr. Kernochan to approve the Minutes from the February 7, 2006 Meeting. Motion passed unanimously.

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

**A. Governmental/Legislative Issues Concerning District Finances:**

**1. General Update:**

- State's proposed 2006-07 funding of Proposition 98 seems to be consistent with LACOE's interpretation. As such, SMMUSD will plan a COLA of 5.18%, with deficit factor yet unknown.

**2. Update: Proposed Upgrades to John Adams Field and Joint Use Agreement with Santa Monica College (SMC) and City of Santa Monica:**

- As part of our Joint Use relationship, over \$1.0 million of SMC's bond proceeds will likely be utilized for new turf, lighting and fencing at John Adams Middle School, which is used by various groups.
- Orientation of the field will conform to CIF specifications.
- Proposed Partnership has been approved by Boards at both SMMUSD and SMC.
- Project is expected to be done over summer period(s) with some TBD shifting of utilization.

**3. Update: Request for Proposal (RFP) for Professional Management of Barnum Hall:**

- To be determined if professionally managed operation contract with the professional management of the Mitze Productions, Inc. for advice on how to increase utilization revenues.

**4. Resumption of Negotiations with City of Malibu RE: Joint Use Agreement:**

- City of Malibu currently gives \$150,000 to SMMUSD. Negotiation/talks are beginning.

**5. Update RE: Public Input on District Budget on Website:**

- Streaming accent banner has been placed on District's official website and will remain until May 4, 2006 intended to solicit the public's input in our 2006-07 Budget Development Process.

**6. Construction of Restroom Facilities at Malibu High School Sport Facilities:**

- The Board approved \$500,000 from Prop X surplus for (3) stalls in men's restroom and (4) stall in women's restroom.
- DSA has approved. Costs include trenching, planning, and associated standards and ADA compliance.

7. Update: Refunding of Approximately \$4.0 Million of G.O. Bonds and Related Moody's Rating:
  - The documents have been completed to revise the refunding amount from 5.62% to 4.06% which will save voters approximately \$500,000 over the payback period.
  - Chair Silvern congratulated the District on receiving the Aa3 Rating from Moody's.

B. Pending Board of Education Items with Financial or Financial Management Implications:

1. Engagement of Professional Search Firm to Assist in Finding New Superintendent (3/2/06):
  - Copy of Board Item A.21 was distributed. Board Subcommittee consisting of Mr. de la Torre, Ms. Leon-Vazquez & Dr. Wisnicki, and Mr. Braham have search responsibilities.
  - Interviews scheduled for March 22 and Board will choose search firm at March 23 Meeting.
  - (9) Proposals received, and have narrowed to (3) finalists.
  - FOC will remain available for input.
2. Dr. Mike Matthews, Interim Superintendent/Dr. Douglas Staine, Director of Human Resources: Enrollment Projections for the 2006-07 School Year (2/16/06)
  - Copy of Board Item D.3 was distributed. Dr. Staine distributed *Enrollment Projections - 2006-07* package; he used *Enrollment Master* software from School Services to prepare report.
  - Verified information with Principals and presented to Board on 2/16/06.
  - Concerned about overall decline of 201, which translates to 8-10 staff members.
  - More students next year at Rogers and Adams.
  - Meeting with Principals to get sense of Kindergarten "Round-Up" for assumptions. Should have better idea of enrollment by the end of April.
  - FOC requested breakdown by residents, population trends, permits and Special Education students.

IV. **FOC Priority Policy Issues** (*Primary Discussion Items*)

A. Facilities Master Plan (FMP):

- Suspension of FMP has been proposed by Supt. Deasy in light of his leaving SMMUSD.
- Will go to Board on March 23 to discuss costs if process is elongated and for an additional community meeting and newsletter, which are projected at an added \$80,000.
- If process is elongated and the Board decides on a Bond Measure, timing could move it to 2008 or 2010 post Parcel Tax renewals election instead of 2006.
- Refreshing FMP could cost up to \$250,000 if a Bond election is delayed to 2010 as FMP would need to be revised.

B. Measure "S" Oversight:

- Measure "S" Audit was approved at February 16 Board Meeting. FOC requested including the number of Measure "S" exemptions in future reports.
- Response received from L.A. County Assessor's Office stating there is no process to trigger notification if exempted parcels transfer ownership.

C. Status of District's Deficit Reduction Plan:

- Ms. Torres and Ms. Hoffman will meet with Mr. Braham and Mr. Walker re: Special Education Deficit Reduction Plan.

D. Improving/Creating Consistent Budget Format/Process & Public Presentation of Budget:

1. Status of 2006-07 Budget Development Calendar and Milestones:
  - < Mr. Kernochan will meet with Ms. Galantine.

E. Enrollment Forecast/Long-Range Trends:

- Ms. Stecher will meet with Dr. Matthews and Dr. Staine to further discuss enrollment projections.
- Members requested enrollment report, and were reminded that they receive on a quarterly basis.

F. Monthly Revenues, Expenditures Summary & Adopted Budget Comparison:

- 2005-06 2<sup>nd</sup> Interim Report will go to Board on March 23.
- Mr. Braham will work with Ms. Ho and Mr. Carey on Mr. Phillips' report.

V. **New Business** (*for Discussion*)

- Mr. Braham stated that we're on schedule with Budget Development Calendar.
- Samohi Situation:
  - < Could have possible financial implications, given investors and Rating Agency views of perceived conflict of stability. Various corrective proposals are being floated and Board may be faced with making significant decisions, which impacts are yet unknown.
  - < They could include a new Assistant CEO of Student Life at Samohi.
  - < Crisis protocol and request for more security training may be provided by our insurance carrier.
  - < There is a Gang Violence Workshop on March 18.
  - < Of note, Security cameras may only be reviewed if there is an incident.

VI. **Receive and File** (*Limited Discussion*)

1. LACOE Workshop Materials: 2006-07 Proposed State Budget and Related Finance Legislation - K-12 School Districts (*handout*)
2. School Services: *Fiscal Report* dated January 20, 2006 (*handout*)

VII. **Public Comments:**

Jim Jaffe

VII. **Agenda Planning for the Next Meeting:**

VII. **Adjournment.** Meeting adjourned at 8:35 p.m.