



Minutes-Amended

SMMUSD Financial Oversight Committee
September 9, 2008 7:00 pm to 9:00 pm
Location: Testing Room, SMMUSD Admin. Offices
1651 16th Street/Santa Monica, CA 90404

Attendance: (Committee Members) Paul Silvern [Chair], Ben Allen, Craig Hamilton, Patricia Hoffman, Denny Kernochan, Gordon Lee, Cheryl Stecher, Cynthia Torres [Vice Chair], Carrie Wagner. (Staff) Jan Maez, Ana Flores. (Absent) Kelly Pye, Maria Leon-Vasquez.

I. Call to Order

The meeting was called to order at 7:06 by Mr. Paul Silvern.

II. Approval of Minutes: 6/3/08 and 6/5/08

A motion was made by Ms. Hoffman and seconded by Gordon Lee to approve the minutes from these meetings. The motion passed unanimously.

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

A. Introduction of Interim Superintendent Tim Cuneo

As there were a number of District meetings being held in the District the same evening, Mr. Cuneo was unable to attend the FOC meeting. He will be invited to the next scheduled meeting.

B. Update on State Budget / SSC School Finance & Management Conference

Without an approved State budget, Ms. Maez reported that there were no significant changes to the adopted budget known at this time. She explained how the most serious issue for school districts was cash flow. Without a state budget the funding from Sacramento slows, and it is possible that some school districts will have cash problems. Solutions for the District include the issuing of Tax Revenue Anticipation Notes (TRANS) and local borrowing between district funds. **This district has sufficient funds in hand including Measure BB so not cash flow problem is anticipated.** Ms. Maez explained that it was not a requirement that interfund cash transfers be repaid with interest. They must be repaid prior to the fiscal year end.

C. Update on 2008-09 District Budget

Ms. Maez reported that the fiscal year 2007-08 ended with a fund balance larger than anticipated. She stated that the primary reason for the difference was a result of a lower than expected General Fund Contribution to Special Education. There were several causes for this that included: unfilled instructional aide positions, fewer settlement agreements, lower legal costs, and lower non-public school and agency costs.

Ms. Maez reviewed the results of the unaudited financial statements with the Committee. She also explained the actions the Board took at the time the report was accepted. The most significant recommended board actions included a reserve for a

student information system, a transfer to the retiree health benefit fund (GASB 45), and the increase of the Reserve for Economic Uncertainty to the 5% level. These three actions totaled \$4.0 million. Several other funding allocations approved by the Board included funding for Special Education, technology, and equipment purchases.

D. Status of City-District Funding for 2007-08

There was a brief discussion regarding the status of City of Santa Monica funding. To date the City Council has not taken formal action- **to release these funds in fiscal year 2007-08. As a result, these funds were removed from the District reserves.**

IV. Update of Status of the Measure BB Facilities Bond Program (*Craig Hamilton*)

Mr. Hamilton reported that the architects, with the exception of Samohi, have completed schematic designs and have begun the next steps of the planning. The schematic design for the Samohi complex should be completed by the end of October or early November. It is expected that small projects may be finished as early as next summer. A copy of a budget report created by Parsons was provided to committee members. The Committee discussed the project schedule. Ms. Maez and Mr. Hamilton answered questions.

V. New Business (*for Discussion*)

A. Election of Chair and Vice Chair

Mr. Silvern asked for recommendations for chair. On motion by Ms. Hoffman, seconded by Mr. Allen, Ms. Cynthia Torres was ~~selected~~ **nominated** chair of the committee. On motion by Ms. Hoffman, seconded by Mr. Kernochan, Mr. Gordon Lee was ~~selected~~ **nominated** as vice-chair. Both votes were unanimous. Paul Silvern was thanked for his excellent leadership of the Financial Oversight Committee.

B. 2007-08 Unaudited Actual Financial Report

The report was distributed to the Committee by Ms. Maez during her discussion of the District's budget update.

C. Discussion of a Public Education Program Related to District Finances

Ms. Maez distributed copies of District salary schedules and the J-90 Report that displayed certificated staff members' salary information in a scattergram format. The Committee expressed an interest in being informed of the District's analysis of salary and compensation benchmarks that would be used in negotiations with District labor groups.

VI. Receive and File (*Limited Discussion*)

- 2008-09 Measure R Senior Exemptions and Measure S Historical Data and L.A. County Direct Assessment Final Count for Measure R Parcel Tax
- Revised FOC Roster
- School Services of California, Inc: *Fiscal Report (8/1/08)*

VII. Public Comments

There were no public comments.

VIII. Agenda Planning for Next Meeting

The next meeting of the FOC will be held on October 7, 2008.

IX. Adjournment

The FOC meeting adjourned at 9:11 p.m.