



**SMMUSD Financial Oversight Committee – Minutes-Amended**

**Date:** Wednesday, November 5, 2008

**Time:** 7:00 pm to 9:00 pm

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

Attendance: (Committee Members) Cynthia Torres [Chair], Ben Allen, Craig Hamilton, Denny Kernochan, Gordon Lee [Vice-Chair], Paul Silvern, Carrie Wagner; (Board Liaison) Maria Leon-Vazquez; (Board Member) Ralph Mechur; (Staff) Tim Cuneo, Jan Maez, Dawn Smithfield.  
Absent: Patricia Hoffman, Cheryl Stecher; Kelly Pye (Brd. Liaison).

**I. Call to Order**

The meeting was Called to Order at 7:05 p.m. by Cynthia Torres.

**II. Approval of Minutes:** 9/09/08

A motion was made by Mr. Silvern and seconded by Mr. Allen to approve the Minutes, as amended, from the 10/07/08 Meeting. Motion passed unanimously.

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

- A. Introduction and Comments from Interim Superintendent Tim Cuneo: Ms. Maez introduced Interim Superintendent Tim Cuneo, noting that it's been a pleasure to work with him and how much has been accomplished since he began on 7/11/08. Mr. Cuneo gave an update on the status of the City of Santa Monica/SMMUSD Joint Use Agreement, stating that he'll attend a Santa Monica City Council meeting in late November or in December to request release of the \$530,000 additional COLA funding which has been withheld by the City. He and City Manager P. Lamont Ewell have worked well together, solving problems quickly, such as the City use of District fields. Mr. Ewell has advised Mr. Cuneo of the decrease in City revenues, in addition to upcoming labor negotiations, but committed to maintaining a level of funding by the City. The Joint Use Agreement expires 6/09 and talks are scheduled to begin in 1/09 to discuss ~~extending~~ **exercising the first of two options to extend** the Agreement, possible funding increases and other issues.

Mr. Cuneo believes the District has addressed the Council's special education issues: confidentiality agreements are not used unless specifically requested by the parents, a parent network has been established with parents who volunteer to work with liaisons at each school for improved communication, and the Special Education District Advisory Committee (SEDAC) has developed a parent handbook that has now been published in both English and Spanish. This handbook, which will debut at an upcoming parent forum, informs parents what steps they can take and details the IEP process and complaint procedures; an updated version is planned for next year.

Mr. Cuneo also described efforts to improve communication between the District and the community. A communication audit will be done within the next few months. A consultant has been hired and will meet with community members and staff to ascertain the best way in which to communicate with parents to let them know what's happening at schools. Mr. Cuneo noted that this is a Districtwide communication strategy, not just for

Special Education parents. This is a way of both keeping ourselves accountable and ensuring accuracy.

- B/C. Update on State and District Budget/Preparation and Planning for First Interim: State Budget mid-year cuts are being planned, which will be detailed in the Governor's Budget in January; LACOE has projected a possible decrease of approximately \$300 per pupil. Mr. Cuneo and Ms. Maze spoke about budget planning for this process, and agreed that the budget process will be difficult for the next several years, especially in this difficult economy. A copy announcing the League of Women Voters/PTA Council Forum on 11/12/08, *Why Sacramento Matters: How It Impacts Our Schools*, which Mr. Cuneo will attend, was distributed.

It was mentioned that LAUSD has a committee to look at increasing revenues, including fundraising and attracting large donors, and it was discussed whether SMMUSD should do so also. It was suggested that the FOC research what LAUSD is doing and set the groundwork for now. Mr. Cuneo noted that the next steps should include not only reviewing where we are in the current strategic plan, but also moving forward with a new strategic plan, which makes it much easier to sell to potential donors. FOC members stressed their support of the District's strategic planning process and stated that it's time to review the plan again. FOC members expressed their appreciation of the Board's support of the strategic plan, which when used well will help the Board plan Agendas and make decisions, in alignment with the strategic plan. In this way, it makes sense to the community and shows the progress of the District. Committee members thanked the Superintendent for his comments.

A copy was distributed of excerpts from the 10/30/08 LACOE workshop *2008-09 State Budget Act and Related Finance Legislation*. Ms. Maez reviewed this document, informing members that the estimated COLA for next year will probably be eliminated. LACOE is projecting 0% COLA for Revenue Limit and categorical funding. This will impact the First Interim Report in the multiyear projections. The big uncertainty is how districts plan for the 2010-11 year. The Statutory COLA should be 3.5%, but LACOE warns districts to be very careful in projecting this amount. Members asked if Decision Insite, consultant for enrollment, is ready to update the multiyear enrollment projections. Ms. Maez responded that the CBEDs numbers have just been prepared and that work is underway. She also discussed the cash flow issues due to the State delaying payments such as the P2 apportionment. Mid-year cuts in 2008-09 could be between \$3-9 million.

The LACOE document states that "...it is critical that districts do not enter into agreements or make binding commitments that cannot be supported and sustained by the district's projected resources for the current and subsequent fiscal years." Mr. Cuneo has asked both labor groups to delay discussions until after the Governor's Budget information is known. SEIU has agreed to delay talks, however, SMMCTA wants to start negotiations now. A motion was made by Mr. Silvern and seconded by Mr. Kernochan that the FOC recommend to the Board of Education to defer any binding financial decisions regarding salary with bargaining units until at least the release of the Governor's Budget in January due to the uncertain fiscal condition of the State and general economy. Motion carried.

FOC members agreed that the final page, “What Should Districts Be Doing?” is a good template by which SMMUSD could use to communicate that message, which could be included as part of the First Interim Report. FOC members again offered their assistance. Ms. Maez distributed information regarding Special Education funding.

**IV. Update of Status of the Measure BB Facilities Bond Program:** Mr. Hamilton reported that the 11/3/08 BB meeting went well. BB Committee members have been working with fire and safety agencies on fire and life safety projects. These were originally brought to the BB Committee in 6/08 and will be submitted for Board approval on 11/6/08. The recommendation will address such items as security, perimeters and which gates are closed at Cabrillo, Webster, Grant, McKinley, Rogers and Muir/SMASH. A Board Workshop is scheduled for 12/17/08 with an historical picture and will bring the Board up to date. The program is moving forward, and all sites, except Samohi, are in the design/development phase, moving toward the construction documents phase, then the bidding process. The CEQA (*California Environmental Quality Act*) process is beginning, with many phases and consultants. The main focus is on Malibu projects, which are more complex due to California Coastal Commission requirements and community concerns. We’re starting to think about the next bond sale and how to meet future facility needs. Ms. Maez noted that she met with Ms. Torres, Mr. Lee and Tony Hsieh to discuss continuing disclosure services and it was agreed to change those services from MuniFinancial to Keygent, Tony Hsieh’s company.

Several groups are working on the Samohi project. The District has formed a sponsor group to move the process forward. A contract has been signed with John Jalili (former Santa Monica City Manager) and he and Michael Hill, Community Recreation Facilities Coordinator, have scheduled meetings with the Santa Monica Redevelopment Agency. Mr. Hsieh has sent additional information to the BB Committee and he will meet with the BB Subcommittee. Scenarios are being developed to allow for discussion prior to the City’s deadline.

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

- A. Review of District Salary Schedule for Classified Employees: Salary schedule information was distributed and Ms. Maez reviewed the Classified, Certificated, Management and Hourly salary schedules, along with the J-90 Report, which is submitted annually to the State of California. This report includes a scattergram, administrator ratios and health benefit costs by provider/coverage level. Also distributed was a spreadsheet showing the estimated cost of various salary increases. FOC Members appreciated receiving this detailed data.
- B. Certificated Employee Salary Compression Data: At the last FOC meeting, members questioned whether the certificated salary compression is really working and are teachers being retained. As a follow-up, an analysis was handed out, detailing the budgetary costs the next five years if every current employee continues and moves up the step and columns. Ms. Maez stated that these costs have been incorporated into the multiyear projections, and will be included in the upcoming First Interim Report. A memo dated 11/1/08 from SMMCTA regarding the District Budget was handed out which stated compression was less about retention and more about attracting teachers making teacher salaries more comparable to

administrator salaries. Mr. Keiley would like to attend the next FOC meeting to discuss his salary compression response; an invitation to attend the 12/2/08 FOC meeting will be sent to him.

- C. Establish FOC Subcommittees (District Bond Program, Review of Special Education Budget, and Public Education Program Related to District Finances): Members were asked to sign up for at least one subcommittee, and the results were as follows:

\*District Bond Program: Gordon Lee

\*Review of Special Education Budget: Paul Silvern and Craig Hamilton

\*Public Education Program Related to District Finances: Cynthia Torres and Carrie Wagner  
Ms. Hoffman will be contacted for her subcommittee choice.

Ms. Torres brought up the need to advertise for additional members to replace Mr. Kernochan and Ms. Stecher, who are leaving at the end of their terms on 12/31/08, and for Mr. Allen, who has now been elected to the Board of Education. Ms. Torres asked for referrals from members, especially from Malibu to ensure their representation, and a suggestion was made to ask Mr. Dave Resnick. A press release will be sent out and applications reviewed. Interviews will be handled by a subcommittee comprised of three FOC members, and a Board item will be needed to appoint those new members.

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

- 2008 SSC School District and County Office Financial Projection Dartboard
- Special Education Initiatives (Letter from Interim Superintendent Tim Cuneo)
- Continuing Disclosure Letter (Change from MuniFinancial to Keygent LLC)
- School Services of California, Inc: *Fiscal Reports (9/26/08 and 10/10/08)*
- EdSource Report: *How California Compares (9/08)*

**VII. Public Comments:** None

**VIII. Agenda Planning for Next Meeting: December 2, 2008**

Mr. Keiley – Salary compression response

**IX. Adjournment:** Meeting adjourned at 9:05 p.m.