



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

**Date:** Tuesday, July 28, 2009

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

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

Attendance: (*Committee Members*) Joan Chu Reese, Craig Hamilton, Nimish Patel, Paul Silvern, Manel Sweetmore, Cynthia Torres [*Chair*], Carrie Wagner; (*Board Liaison*) Barry Snell; (*Board Member*) Ben Allen; (*Staff*) Jan Maez, Dawn Smithfield;  
Absent: Patricia Hoffman, Gordon Lee [*Vice Chair*], (*Board Liaison*) Jose Escarce.

### **I. Call to Order**

The meeting was called to order at 7:07 p.m. by Ms. Torres

### **II. Approval of Minutes 6/2/09**

A motion was made by Mr. Silvern and seconded by Mr. Patel to approve the Minutes. Motion passed unanimously.

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

A. 2009-10 Budget Update: Ms. Maez stated that the positive certification letter from LACOE approving the 2009-10 Budget has been received. LACOE has concerns about the multiyear projections, which reflected reductions but no corresponding Board action, so they will require more detail at the time of the 1<sup>st</sup> Interim Report, due by 12/15/09. LACOE also noted that even with reductions in 2010-11 and 2011-12, a deficit spending pattern is still being reflected in the third year, and that should be addressed. LACOE noted that several other districts' budgets will not be approved, and revised budgets will have to be resubmitted in September. FOC members asked how the District will address deficits in future years, and what guidelines are given from LACOE. Ms. Maez noted that if further reductions are required, decisions must be made by the Board indicating specific reductions, including staffing, program modifications, etc. She noted that if the District uses new revenue sources (i.e., a new parcel tax) to resolve the deficit, the County will expect an alternative plan should the tax election fail. As part of the State's solution to balance its budget, it will take about \$20 million of the City of Santa Monica's Redevelopment Agency money, but the City is still required to pass through the \$2.5 million to SMMUSD, so the District should not expect a reduction on the statutory amount that the District receives annually. However, this could have an impact on the additional funding for the Civic Center Joint Use Project (*CCJUP*).

B. Year-End Closing Update: Ms. Maez said closing the books for the 2008-09 fiscal year is going well, but there is some uncertainty about revenue limit accrual because the State Budget is not very clear. It's expected that we will close the books in mid to late August with a Board report in September.

C. Sale of Bonds-Update: A copy of the financing summaries for the General Obligation Bonds, including the Build America Bonds (BABs), and the Bond Anticipation Notes (BANs) was distributed. The closing will take place next week, and we should have the money soon after that.

#### **IV. Update from Subcommittees:**

A. District Bond Program: No report.

B. Review of Special Education Budget: Mr. Hamilton reported that the Special Education Collaborative begun by Sally Chou has formed subcommittees; they are looking at existing programs as well as comparisons with other school districts, including SELPAs, NPA and NPS and instructional consultants. The full Committee meets monthly, but the subcommittees meet more frequently. The Committee is looking at programs, how they're delivered, and staffing. FOC members suggested looking at this SELPA-wide. Ms. Wagner shared that approximately 65 private schools are sending letters to opt out of the LAUSD SELPA as of 2010-11, so if the District is able to increase the in-house services it provides to students, there is a possibility that these schools may request our District's special education services.

C. Public Education Program Related to District Finances: Reported in Item VI.D.

#### **V. Measure BB Update**

New Measure BB Committee members were included at the group's last meeting. Most projects are at the CEQA stage. The Board took action to opt out for the Santa Monica projects of the City's zoning codes. Ms. Maez stated that we are moving forward with the eminent domain process with the two properties adjacent to the Edison site. The legal filings should be done by the end of the week if an agreement doesn't happen between the parties first.

Ms. Maez also informed members that the Mitigated Negative Declaration for Malibu High field lights was approved, and the amendment was submitted to the California Coastal Commission (CCC). Challenges to it must comply by the deadline, which is the end of this week. We will likely be on the CCC's October meeting agenda for approval. She stressed that the field lights will not be turned on without CCC approval. Another Malibu issue being addressed is wastewater discharge; notices have been received from the water quality board for the Webster site. The District will also address Pt. Dume. Approval of an allocation for systems at those sites will be submitted for District Board approval. The cost could be \$500,000 per site for each site. That amount has already been allocated for Samohi and Cabrillo.

#### **VI. New Business (for Discussion)**

A. Follow-Up Discussion to 6/10/09 Annual Joint Meeting (Handout: Minutes): Members felt this was an outstanding joint meeting with an engaged discussion, especially around revenue issues. Mr. Snell appreciated the frequent workshops/meetings with the FOC in 2008-09 and felt they should continue in 2009-10 on a quarterly basis. He suggested that each of the three meetings should have specific targets for discussion,

with the first meeting taking place around December before the 1<sup>st</sup> Interim Report. All members appreciated working together cooperatively with the Board. There were concerns that all District budget committees should include at least one FOC member to ensure effective communication and avoid duplication of effort. It was agreed to keep the FOC subcommittee, *Public Education Program Related to District Finances*, for revenue enhancement discussions.

B. FOC Goals for 2009-10: The focus will be on helping the Board to make difficult budgeting decisions, continuing with suggestions for revenue enhancement, and reviewing the Special Education budget. Mr. Silvern offered to continue to assist Mr. Hamilton with the *Review of Special Education Budget* subcommittee.

C. District Strategic Plan Development: Ms. Maez noted that Superintendent Cuneo is working on this. FOC members will come up with one-page framework of what they want from the Strategic Plan. Ms. Chu Reese will develop the template, and she and Ms. Torres will meet with Tim.

D. Revenue Enhancement Suggestions: Copies of revenue generation proposals were distributed, and Ms. Torres thanked Ms. Chu Reese and Ms. Wagner for their hard work. Proposals included a school funding measure (parcel tax), targeted fundraising/capital campaign (such as alumni), attendance campaign, generating licensing fees, better utilization of District assets (commercial use of Barnum Hall and a renovated Greek Theater), creating a Special Education Center of Excellence, generating advertising fees, maximizing contributions from Medi-Cal, applying for grants, creating an academic foundation and increasing the number of permit students. Each proposal detailed the estimated potential revenue, whether the appropriate skill set exists in the District, the ease of implementation, and the overall priority rank.

E. FOC Meeting Calendar: It was suggested to include a joint meeting at 4:00 p.m. prior to the regular Board Meeting on 11/19/09 to discuss revenue enhancement ideas. A second joint meeting could be scheduled at the 2/18/10 Board Meeting, with a third meeting to be added in March or April. Mr. Snell will discuss this with the Superintendent and Board. Ms. Smithfield will revise and resend the FOC meeting calendar.

**VIII. Public Comments:** None

**IX. Agenda Planning for Next Meeting:**

**X. Adjournment:** Meeting adjourned at 9:27 pm.