



SMMUSD Financial Oversight Committee – Minutes

Date: Tuesday, June 1, 2010

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 [*Vice Chair*], Craig Hamilton, Patricia Hoffman, Gordon Lee, Nimish Patel, Manel Sweetmore and Cynthia Torres [*Chair*], Carrie Wagner; (*Board Liaisons*) Jose Escarce, Ralph Mechur; Board President Barry Snell; (*Staff*) Dawn Smithfield. *Absent: Paul Silvern, Jose Escarce, and Jan Maez.*

Call to Order

The meeting was called to order at 7:04 p.m. by Ms. Torres.

Approval of Minutes 4/13/10

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

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

[*Ms. Maez was unavailable as she was attending the rating agency meetings.*] Ms. Torres explained that she and Ms. Maez met previously to discuss the budget, and distributed two items: the Multi-Year Projection-Unrestricted General Fund and the 2010-11 Budget list of recommended expenditure reductions. Ms. Torres will check with Ms. Maez to clarify whether the Measure A parcel tax revenue and the list of recommended expenditure reductions were included in that document. Also included in the meeting materials was a 5/28/10 press release from Superintendent Cuneo, *SMMUSD Board of Education Takes Action in Preparation for the 2010-11 Budget*. Mr. Mechur reviewed the expenditure reductions with the FOC. He explained that the position of the Samohi Dean of Students and Administrative Assistant were not reduced because of the other reductions to Samohi. It was suggested that the Superintendent be charged with the responsibility of reviewing how Samohi is organized in a systematic manner. The Governor reduced all childcare funding, which devastated the District's childcare program, and there is some question as to whether it will return. A discussion and decisions need to be made within the next few weeks. About \$300,000 remains to be funded for CDS, and fundraising efforts have begun in the community.

The Multi-Year Projection shows that further cuts are required in order to achieve a positive ending balance in the third year. Ms. Torres will ask Ms. Maez to share the rating agency presentation with the FOC. Members reminded Mr. Mechur about the upcoming strategy sessions for bargaining units and possible concessions due to the required budget reductions.

IV. Update from Subcommittees

- A. District Revenue Enhancement (*G. Lee, J. Chu Reese, C. Torres, C. Wagner*): No report.

- B. Review of Special Education Budget (*C. Hamilton, P. Silvern*): Subcommittee members asked Mr. Mechur about the targeted reductions in Special Education. Ms. Torres will follow-up with Ms. Maez.

- C. District Financial Strategy (*P. Hoffman, N. Patel, M. Sweetmore*). No report.

V. Discussion/Action Items

- A. Recap of Measure A Parcel Tax Election: Included in the meeting materials was a copy of the Official Election Returns, showing the final votes as 13,671 (64.25%) in favor of and 7,607 (35.75%) against the parcel tax. Mr. Mechur has a copy of the statistical analysis by neighborhood, which he will email to Ms. Torres. It was mentioned that the November 2010 Election the earliest time the District would be able to try for another parcel tax. FOC members asked if a parcel tax with different parameters should be investigated, such as a tax per square footage, or one that would tax commercial and residential properties at different rates.

It was agreed that fundraising will be needed. There has been some confusion about donations. It was clarified that people can donate directly to a school, but that members in the community believe that if they donate to a school, it goes to the central District office. The Education Foundation (*SMMEF*) is working hard on a new fundraising campaign, "Save Our Teachers".

- B. Recap of 2009-10 Year-End Financial Report: A copy of approved Board Action A.35 from the 5/26/10 Board Meeting was distributed.

- C. Planning for the Joint Meeting with the Board on 6/4/10 at 8:00 p.m.: A copy of the Board item was included in the meeting materials. Ms. Torres handed out a draft of the presentation for review and discussion. The report summarized this year's activities by the FOC including areas of focus, efforts by members in other committees, building relationships with the Board of Education, reviewing Measure R expenditures, views on the proposed 2010-11 budget, the need for a fiscal stabilization plan by time of the 2010-11 1st Interim Report and revenue enhancement opportunities. Some revenue enhancements may be addressed by an aggressive attendance campaign, better utilization of District assets, targeted fundraising and generation of licensing fees. The report will also include budget process suggestions as well as the proposed FOC focus for 2010-11. Due to conflicts, neither Ms. Wagner nor Mr. Silvern will be able to attend the joint meeting.

D: Measure BB Update: Mr. Hamilton stated that the process continues to move forward with projects in construction. There was a detailed construction workshop that took place. Parsons has restructured, and there is a new communication person who will help with the process. It was noted that the City of Santa Monica's redevelopment monies were reduced. The CCJUP project is on hold, but \$1 million of the City Manager's proposed budget is earmarked for the District for the CCJUP plans.

E: Strategic Plan Update: The Strategic Plan Advance meeting will be held on 6/12, at which time the various panels will come together to meet to discuss setting a vision, and priorities.

F: Summer Meeting Planning: Due to the necessity of a Fiscal Stabilization Plan, an additional FOC meeting is needed during the summer. It was agreed to schedule the next two meetings on 7/13/10 and 9/14/10. Dawn will draft the future schedule and send to members.

VI. Receive and File

- Memo RE: Public Notice -Measure R Parcel Tax (*CPI-U Adjustment*)
- School Services of California, Inc.: *Fiscal Report (5/7/10)*

VII. Public Comments

None

VIII. Agenda Planning for Next Meeting

7/13/10

9/14/10

IX. Adjournment

Meeting adjourned at 9:01 pm