



## **SMMUSD Financial Oversight Committee Minutes**

**Date: Thursday, September 12, 2013**

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

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

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

Mr. Larmore called the meeting to order at 7:02 p.m.

Committee Members: Craig Foster  
Tom Larmore  
Gordon Lee  
Cynthia Torres

Patricia Hoffman  
Joan Krenik arrived @ 7:07 p.m.  
DeAndre Parks arrived @ 7:20 p.m.  
Paul Silvern arrived @ 7:15 p.m.

Board Liaisons: Nimish Patel arrived @ 7:59 p.m.

Staff: Jan Maez Kim Nguyen

Absent: Shelly Slaugh Nahass David Vukadinovich  
Jose Escarce Laurie Lieberman

Public: Gerardo Cruz

### **II. Introduction of Student Representatives – Student representatives are to be determined.**

### **III. Approval of Minutes**

The Board of Education minutes from the June 6, 2013 Joint Meeting with the Board was reviewed by the committee. A motion was made by Mr. Foster and seconded by Mr. Parks to approve the May 30, 2013 minutes as amended. The motion passed unanimously. Mr. Vukadinovich and Ms. Slaugh Nahass were absent.

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

- A. Budget Update: Ms. Maez provided the 2012-13 Unaudited Actual report that was presented to the Board at the August 28 Board meeting. The budget update included common reasons why the projections in June were different in August/September when the unaudited actual report was completed. The three basic reasons include revenue received that was not anticipated, expenditure allocations that were not spent, and rollover purchase orders (issued before June 30<sup>th</sup> but work completed or goods received after July 1<sup>st</sup>). The District received \$8.5M in property tax revenue above what had been expected causing it to become a basic aid district on a temporary basis for 2012-13. The District will have to return a fair share amount of \$5.6M to the State in 2013-14. Ms. Maez also identified the amounts of other fund balance at \$28.3M and explained how those funds were designated.

The Dolinka Group has been hired to see whether \$8.5M is the residual property taxes due to the dissolution of the Redevelopment Agency. The district wants to be sure that

the auditor and controller are calculating those amounts properly; that the District is receiving the right amounts; and that they are being placed in the right accounts by LACOE.

The shift to Local Control Funding Formula requires a local control accountability plan (LCAP) be developed. Part of the requirement includes community engagement in the process with the formulation of a “committee”, public hearing and board adoption similar to the AB 1200 process. Districts will be expected to produce a LCAP plan for 2014-15 year.

Ms. Hoffman asked a question about Fund 67. Ms. Maez explained that the District has a liability for retiree health insurance in excess of \$20M that is amortized over 20 years which is accounted for in that fund.

It was suggested that some considerations for the Retiree Benefit Obligations ad hoc committee to look at are: 1) the liability that the state pension plans have in both STRS and PERS and analysis of the impacts over the next several years; 2) the unfunded liability, retiree benefits portion and benefits provided; and 3) ways to bring down and begin funding the liability. The Affordable Care Act has added a layer of uncertainty to this analysis.

**V. Discussion/Action Items**

- A. Recommendation from Nomination Committee: Subcommittee members Cynthia Torres, Joan Krenik, Craig Foster, Patricia Hoffman, and Shelly Slaugh Nahass met and interviewed three (3) candidates. After lengthy discussion, a motion was made by Mr. Silvern and seconded by Ms. Krenik to recommend to the Board approval of Mr. Peter Lippman. The motion passed unanimously.

**VI. Update from Ad Hoc Committees**

- A. Malibu Unification (*C. Foster, T. Larmore, P. Silvern, S. Slaugh Nahass*): Mr. Foster reported that the next step is being completed. The consultant will be at the next ad hoc committee meeting. There should be a substantive but not conclusive draft of the report at the October 15, 2013 FOC meeting.
- B. Detailed Budget Review (*T. Larmore, G. Lee, C. Torres*): Ms. Torres reported that the ad hoc committee will meet soon.
- C. Retiree Benefit Obligations (*J. Krenik, P. Hoffman, D. Parks*): Ms. Krenik reported that the ad hoc committee will meet soon.

**VII. Receive and File (Limited Discussion):**

- A. Budget 2012-2013 Unaudited Actual Report  
<http://www.smmusd.org/fiscal/BudgetDocs/UnauditedActualsRep1213.pdf>

**VIII. Public Comments:** None

**IX. Next Meeting:** Tuesday, October 15, 2013

**X. Adjournment:** It was moved by Ms. Torres and seconded by Mr. Foster to adjourn at 8:12p.m. The motion passed unanimously. Mr. Vukadinovich and Ms. Slaugh Nahass were absent.