



SMMUSD Financial Oversight Committee Minutes

Date: Thursday, May 14, 2015

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

7:00 pm

Committee Members: Jon Kean
Tom Larmore
Debbie Mulvaney
Manel Sweetmore
Seth Jacobson arrived @ 7:18p.m.

Joan Krenik
Marc Levis-Fitzgerald
Paul Silvern
Cynthia Torres

Board Liaisons: Craig Foster
Laurie Lieberman arrived @ 7:10p.m.

Staff: Jan Maez
Kim Nguyen

Absent: Gordon Lee
Jordan Golden-SAMOHI
Shelly Slaugh Nahass
Kennedy Myers-Malibu HS

Public: None

II. Approval of Minutes

7:01 pm

A motion was made by Mr. Kean and seconded by Ms. Torres to approve the April 20, 2015 minutes as amended.

AYES: Seven (7) (Mr. Kean, Mr. Larmore, Ms. Krenik, Mr. Levis-Fitzgerald, Ms. Mulvaney, Mr. Sweetmore, Ms. Torres)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Three (3) (Mr. Jacobson, Mr. Lee, Ms. Slaugh Nahass)

ABSTAIN: One (1) (Mr. Silvern)

III. Staff Report

7:02 pm

A. Budget Update

Ms. Maez presented the committee with an abbreviated presentation of the 2015-16 budget from the May 4, 2015 Board Budget workshop; multi-year projections of the unrestricted general fund with changes from the budget workshop as well as projections to include the gap closure at 53%; and School Services of California Fiscal Report "*Governor's May Revision Provides a Big Boost to Schools*" for publication dated May 15, 2015. Ms. Maez informed the committee that the continuation of the Budget Board Workshop was scheduled for May 27, 2015 from 4:00 p.m. to 8:00 p.m. in the Board Room.

Ms. Maez's 2015-16 Board Budget workshop presentation may be found at <http://www.smmusd.org/fiscal/BudgetDocs/BudgetWorkshop050415.pdf>.

IV. Discussion/Action

8:31 pm

A. Measure R Plan

Ms. Maez informed the committee that the Measure R annual plan must be posted for public review 90 days prior to the adoption of the budget. The plan was posted on the District bulletin board and Website on March 24, 2015. A public hearing was held on May 7, 2015 for acceptance of comments and none were received. The plan must be presented to the FOC for review 30 days prior to the adoption of the budget.

The committee suggested that information about how Measure R income is spent be included with the senior exemption application mailing. The committee also discussed opportunities to encourage the community to support the district by not applying for the exemption.

A motion was made by Mr. Silvern and seconded by Ms. Torres to recommend that the board accept the Measure R expenditure plan.

AYES: Nine (9) (Mr. Jacobson, Mr. Kean, Ms. Krenik, Mr. Larmore, Mr. Levis-Fitzgerald, Ms. Mulvaney, Mr. Silvern, Mr. Sweetmore, Ms. Torres)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Two (2) (Mr. Lee, Ms. Slauch Nahass)

ABSTAIN: None (0)

B. Proposal from DWK – Janet Mueller

Ms. Maez informed the committee that she has a proposal from Janet Mueller of DWK that outlines the services the firm has to offer. In addition, there is a proposed memorandum of understanding for AMPS to consider. The agreement is written so that it guarantees the district will be reimbursed for costs incurred.

V. Updates from Ad Hoc Subcommittees

8:40 pm

A. Retiree Unfunded Health Benefit Liability Review (*Mr. Kean, Mr. Levis-Fitzgerald*)

Mr. Kean informed the committee that a revised subcommittee report was circulated and no comments were received. It was suggested that the subcommittee provides a recommendation for the Board's consideration. The memorandum from the Retiree Unfunded Health Benefit Liability Review subcommittee may be found at the end of these minutes.

- 8:45 pm B. Bond Review for Malibu Unification (*Mr. Larmore, Mr. Jacobson, Mr. Lee, Ms. Slaugh Nahass, Mr. Sweetmore*)

Mr. Larmore reported that the subcommittee met and discussed other assets, liabilities and bond debt. The memorandum from the Bond Review for Malibu Unification subcommittee may be found at the end of these minutes.

- 8:55 pm C. Budget Review for Malibu Unification (*Mr. Silvern, Ms. Krenik, Ms. Mulvaney, Mr. Sweetmore, Ms. Torres*)

Mr. Silvern reported that the subcommittee held two (2) conference calls. The first call discussed the status of WestEd's report. The subcommittee received a draft from WestEd that used the 2nd interim as a baseline. There is a well-developed Malibu-only district budget that clearly shows that Malibu will be a basic aid district, property tax generated will exceed LCFF, and Malibu will keep 100% of their property tax. Santa Monica-only district will require a larger portion of the state share to balance the Santa Monica-only district revenue due to the loss of the property tax revenue that will go to Malibu-only district. The analysis unequivocally demonstrates that a parcel tax is needed for Malibu-only district budget to balance. Absent that parcel tax, the Malibu-only district budget will have an operating deficit from the beginning. The presentation will be reconciled with the adopted budget in June.

VI. Santa Monica-Malibu Education Foundation (SMMEF) Update

- 9:20 pm Mr. Kean provided an update of SMMEF fundraising at \$2.25M. Linda Greenberg will be attending the next FOC meeting.

VII. Advocates for Malibu Public Schools (AMPS) Update - Addressed under Agenda Item V

VIII. Receive and File (Limited Discussion)

1. School Services of California Fiscal Report "*Governor's May Revision Provides a Big Boost to Schools*" for publication dated May 15, 2015

IX. Public / Committee Comments

- 9:23 pm Terms for Mr. Lee, Mr. Sweetmore, and Ms. Torres will expire on June 30, 2015. Ms. Torres announced that she will not renewing her term. The press release will indicate that there are three (3) vacancies and two (2) incumbents. The members on the nominating subcommittee are Ms. Krenik, Mr. Larmore, and Ms. Slaugh Nahass.

- X. **Next Meeting:** Thursday, June 18, 2015 at 7:00 p.m.

- XI. **Adjournment:** The meeting adjourned at 9:30 p.m.