



**Santa Monica-Malibu Unified School District
Board Committee
Financial Oversight Committee
Minutes**

September 6, 2005 Time: 7:00 to 9:00 p.m.

**Location: Testing Room of the School District's Administrative Offices
1651 16th Street, Santa Monica, CA**

Attendance: *(Committee Members)* Paul Silvern [*Chair*], Carolyn Galantine, Denny Kernochan, Mike Phillips, Cheryl Stecher [*Vice-Chair*], Cynthia Torres. *(Board Liaisons)* Julia Brownley, Kathy Wisnicki. *(Staff)* Winston Braham, Dawn Smithfield. *(Public)* Jim Jaffe, Ann Williams [*Surf Santa Monica*].
Absent: *Craig Hamilton, Chris Harding, Patricia Hoffman.*

I. Call to Order

The meeting was Called to Order at 7:09 p.m. by Chair Silvern.

II. Approval of the Minutes Motions made and seconded by to approve following Minutes:

- 6/605: Mr. Kernochan, Mike Phillips. Passed unanimously.
- 6/14/05: Ms. Stecher, Mr. Kernochan. Passed unanimously.
- 6/16/05: Chair Silvern, Ms. Stecher - As amended. Passed unanimously.
- 7/19/05: Mr. Kernochan, Mr. Phillips. Passed unanimously.

A request was made to summarize future Minutes; a “bullet” format was suggested.

III. Staff Report: Chief Financial Officer Winston A. Braham

A. Governmental/Legislative Issues:

- < As a result of damages caused by Hurricane Katrina, California has begun accepting evacuees from Louisiana and Mississippi and SMMUSD will accept students, allowing a 30-day gap to present immunization records. This, in addition to the impact on Class Size Reduction, are of concern.
- < Regarding the November, 2005 Special Election, if Proposition 98 is changed, our District budget will likely be revised at mid-year to reflect funding changes.

IV. Review and Discussion of Pending Board of Education Agenda Items:

A. 2004-05 Unaudited Actual Financial Report

- < The 2004-05 Unaudited Actual Financial Report will be submitted for approval at the 9/8/05 Board Meeting. A copy of the Board informative and *2004-05 Summary Report for All Funds* was distributed.
- < A temporary “bridge loan”, pending their Revenue Checks, for \$650,000 from a District Central Fund to the Child Development Fund (Fund 12) will be submitted for Board approval at the 9/8/05 Board Meeting.

V. Old Business

A. Process for Capital Programs/Resources:

B. Update: Facilities Master Plan - Request for Proposal (RFP): Kendall Planning & Design:

- < The RFP was sent out with a proposal deadline of 9/12/05. A pre-submittal meeting took place on 8/24/05, with a number of interested firms in attendance. A Subcommittee of the Ad Hoc Facilities Committee will narrow the selection to (3) firms. Deloitte Financial Advisory Services LLP will perform a background and reference check prior to contracting with the finalist.
- < Should a Bond Issue become necessary, the Rating Agencies will look favorably at the District's pattern of saving money by keeping the Reserves above the minimum levels.

VI. New Business

A. Financial Oversight Committee Plan for 2005-06

- < Mr. Braham alerted and recommended that the FOC focus on the following items:
 - Arbitrage Calculation & Rebate Issues Plus SEC Disclosure Issues
 - Health & Welfare Benefit Comparative Analysis
 - Actuarial for GASB 45
 - Impact of GASB 45 on Bond Rating
 - Overall General Strategies for Deficit Reduction & Expenditure Control
 - Appeals of Developer Fees
- < It was agreed to keep the following items as "standing items" on future Agendas:
 - Overall Review of District's Deficit Reduction Plan
 - Measure "S" Oversight (*under "Old Business"*)
 - Improving/Creating a Consistent Budget Format/Process & Public Presentation of Budget
 - 2006-07 Budget Development Calendar
 - Enrollment Forecast/Long-Range Trends

B. ~~Facilities Master Plan~~ (*Duplicate of Item V.B, above*)

C. Identification and Review of Key Projects with Significant Fiscal Impacts

D. Discussion of Schedule of Meeting Times & Dates

- < The next FOC meeting, which was scheduled for 10/4/05, will be moved to 10/11/05.

E. LACOE Budget Approval Letter Dated August 15, 2005

- < The letter from Melvin Iizuka, our Business Services Consultant at LACOE, was distributed.

F. School Services Fiscal Report - August 5, 2005

- < A copy of this handout, containing Budget Issues, was given.

G. Revised FOC Roster

< This was updated as of 8/22/05 and was handed out to FOC members.

H. Measure “S” Update

< A copy of the August 5, 2005 memo, *2005-06 Measure “S” - Summary of Parcel Exempted*, was distributed, showing 2,808 parcels exempted in the amount of \$631,800.

I. LACOE Workshop RE: 2005-06 State Budget Act

< LACOE Informational Bulletin No. 75 was distributed, detailing the process for those interested to attend the workshop on 9/23/05.

J. Other Items, as Needed

< Approved Board Recommendation No. A.11 from the 8/18/05 Board Meeting: *Adopt Resolution 05-01 - Resolution Authorizing the Issuance and Sale of Refunding Bonds...* A copy of this was distributed, and Mr. Braham explained that this will allow us to refund callable bonds when the interest rate is favorable.

< SMMCTA negotiations have been taking place and the Tentative Agreement is being reviewed by the SMMCTA management and District Board. After approval, AB 1200 will be done to establish that we can fund into the future.

< Dr. Gabe Soumakian has taken a position as Assistant Superintendent, Human Resources at Burbank Unified School District; his final day with SMMUSD is 10/1/05.

VII. Public Comments:

Jim Jaffe

VII. Agenda Planning for the Next Meeting:

VII. Adjournment. Meeting adjourned at 9:08 p.m.