



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

Minutes

October 11, 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*), Cheryl Stecher [*Co-Chair*], Patricia Hoffman, Denny Kernochan, Mike Phillips, Cynthia Torres. (*Staff*) Winston Braham, Dawn Smithfield. (*Public*) Jim Jaffe.

Absent: Carolyn Galantine, Craig Hamilton, Chris Harding, Paul Silvern [Chair].

(Board Liaisons) Julia Brownley, Kathy Wisnicki.

I. Call to Order

The meeting was Called to Order at 7:10 p.m. by Co-Chair Stecher.

II. Approval of the Minutes A Motion was made by Ms. Torres and seconded by Mr. Phillips to approve the Minutes from the September 6, 2005 Meeting. Motion passed. [*Quorum at 7:45 p.m.*]

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

A. Governmental/Legislative Issues:

< Not much budget information coming from Sacramento until after the November 8, 2005 Special Election as there are several Measures which could significantly affect school districts.

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

A. Approval of Contractor for Facilities Master Plan-Fields Devereaux Architects & Engineers:

< Received (9) proposals ranging between \$400,000 to \$2 million, field was narrowed to (3) and Fields Devereaux Architects & Engineers (FDAE) was finally chosen and approved by our Board.
< A Memorandum of Understanding (MOU) is being prepared by our attorney.

B. Approval of Contract - Deloitte Financial Advisory Services:

< Will provide financial background advisory services on the selection of FDAE. Therefore, FDAE Contract will be contingent upon an assessment by Deloitte's advice.
< If there is a new Bond Issue, we'd like to pay off the Certificate of Participation (COPs) to free up the revenue payment for the Facilities Master Plan, can come from Prop X surplus monies now supporting Debt Service. If we pursue a Bond Issue, it can be written into the Bond language for the Bond proceeds to be utilized to reimburse Prop X monies.

V. Old Business

A. Process for Capital Programs/Resources:

B. Measure "S" Oversight:

< Copy of Measure "S" 3-Year Audit Contract with Roy J. Blair was distributed and will be submitted for Board approval on October 20, 2005.
< Per Measure "S" requirements, we are tracking items separately/allocating funds by Resource Code.

VI. New Business

A. Arbitrage Calculation & Rebate Issues Plus SEC Disclosure Issues:

- < This has been completed and a copy distributed to Members.
- < Must be done every (3) years.
- < Currently have \$88.0 million in outstanding G.O. Bonds plus \$20.0 Million in COPs.

B. Facilities Master Plan

C. Overall Review of District's Deficit Reduction Plan:

- < Local General Fund Contribution (LGFC) to Special Education is approximately \$10.0 million.
- < Working to control costs by providing in-house services to students, be more aggressive and regarding settlements to control LGFC growth rate.
- < Cost containment efforts are in place to control Workers' Compensation and Health Benefit usage/costs.

D. Improving/Creating a Consistent Budget Format/Process & Public Presentation of Budget:

- < As previously requested, a copy of Summary Budget was distributed.
- < Several suggestions were made to improve the budget format, including:
 - T** Revising the J-200 technical jargon to more easily understood language
 - T** Comparison of last year's budget with current year
 - T** Historical trends
 - T** Identification of and explanation of all key funding sources
 - T** List the number of students in the system by the amount expended
 - T** Special Education per student costs
 - T** Simplify/Combine Certificated and Classified Salaries under "Salaries" showing 93.7% as fixed costs
- < Ms. Stecher will research the School Services of California, Inc. website for a user-friendly budget display and will check out the enrollment projection software from EdSource.

E. 2006-07 Budget Development Calendar:

- < Will be developing new Budget Calendar for 2006-07.

F. Enrollment Forecast/Long-Range Trends:

G. Health & Welfare Benefit Comparative Analysis:

- < District will remain in Public Employees Retirement System (PERS) health care component.

H. Actuarial for GASB 45:

- < Members would like to see the Actuarial Assumptions.

I. Impact of GASB 45 on Bond Rating:

- < GASB 45 will impact the bond rate liability and must be reported in the 2006-07 Audit Report. Must fund over the next 30 years at \$2.3 million annually to fully fund on a pay-as-we-go basis.

- J. Tentative Schedule of Meetings through June, 2006:
 - < Scheduled was distributed to members.
 - < Santa Monica City Council Meetings conflict on potential FOC Meeting dates: 1/10/05 & 5/9/05.
 - < Members requested that this memo be emailed to those members who were absent. Members informed that complete packets from every FOC Meeting are mailed to members who were absent.
- K. EdSource Articles RE: Propositions 74 & 76:
 - < These articles were distributed to members.
- L. Other Items, as Needed:
 - < Santa Monica-Malibu Classroom Teachers Assn. (SMMCTA) Negotiations: Currently in negotiations with SMMCTA and Tentative Agreement has been reached. Awaiting signature.
 - < Suggested Reorganization of FOC Monthly Meeting Agenda: A new format for FOC Meetings was brought up and a sample given to Mr. Braham and Ms. Smithfield. This will be agendaized for the next meeting; Ms. Stecher will bring the revised document.
 - < Middle School Edition Newsletter: This was distributed to members.
 - < Website Updated: FOC Agendas & Minutes have been put on the District's Website under the Fiscal and Business Services link.

VII. Public Comments:
Jim Jaffe

- VII. Agenda Planning for the Next Meeting:** November 1, 2005
- < Review/Discussion of Agenda Format
 - < Tentative Meeting Schedule through June, 2006

VII. Adjournment. Meeting adjourned at 8:57 p.m.