



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

**Minutes**

**September 5, 2006**

**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]*, Craig Hamilton, Patricia Hoffman, Denny Kernochan, Cynthia Torres. *(Staff)* Winston Braham, Dawn Smithfield, Superintendent Dianne Talarico. *(Public)* Barbara Inatsugu, Jim Jaffe. *Absent:* Carolyn Galantine, Cheryl Stecher *[Co-Chair]*, *(Board Liaisons)* Julia Brownley, Oscar de la Torre.

**I. Call to Order**

The meeting was Called to Order at 7:08 p.m. by Committee Chair Paul Silvern.

**II. Approval of the Minutes:**

Due to a lack of time, the Minutes from the 6/15/06 meeting will be carried over to the next FOC meeting.

**III. FOC Priority Policy Issues** *(Primary Discussion Items)*

A. Facilities Master Plan (FMP)

B. Measure "S" Oversight

C. Status of District's Deficit Reduction Plan

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

1. Status of 2006-07 Budget Development Calendar and Milestones:

- Ms. Torres handed out copies of the 2-page *Santa Monica Proposed City Budget 2006-07 Budget*, as a possible sample format for our District to use.

E. Enrollment Forecast/Long-Range Trends

- Although there is a draft version of enrollment figures in the Facilities Master Plan, it was agreed that revised enrollment projections are needed from SchoolWorks, which prepared the *Developer Fee Justification Study*.

F. Monthly Revenues, Expenditures Summary & Adopted Budget Comparison

**IV. Staff Report:** Chief Financial Officer Winston A. Braham

- A. Introduction of Superintendent Dianne Talarico to FOC Members. Mr. Braham introduced Superintendent Dianne Talarico to FOC members. The Superintendent shared a story about her first encounter with District students, who went out of their way to help her when her car broke down at night on Pacific Coast Hwy., and how grateful she was for their assistance.

B. Governmental/Legislative Issues Concerning District Finances

1. Update on the District's Ballot Measure "BB"

- The Resolution has been filed with L.A. County within the required timeline. The Bond Issue amount is \$268.0 million, which will cost approximately \$30 per \$100,000 assessed parcel valuation.
- The Board approved a contract with the Lew Edwards Group to assist the District in non-partisan informational campaign as part of public education. We need to release a public statement, which may be an opportunity for the FOC to work with Ms. Lew to educate the public about the financial strength of the District.
- Information about Bond Management firms has been shared with the Board, which needs to begin planning.

2. Update on Facilities Master Plan (FMP)

- The Board took action to elongate the Facilities Master Plan until a new Superintendent was hired and now want to resurrect the Plan. Should FMP be updated and accepted or should it wait until after the Bond Election?
- The Interim Report is approximately complete and could be finished within 90 days after resurrection.
- Enrollment Projections, priorities and traffic flow are yet-to-be-completed.
- We need to understand and get work of the FMP prioritized to show accomplishment, especially prior to possible Parcel Tax renewals.
- Based on work to date, enough has been done, including a detailed facilities assessment, to be able to go to the voters. Upon Bond passage, specific priorities will be established for repairs, replacement and safety, in general.

3. Closing the Books for the 2005-06 Fiscal Year

- Due to lots of cost controls and adjustments, amongst others, we were able to carryover funding: \$973,000 to Special Education, \$220,000 for Enhancing Education Through Technology (EETT), \$250,000 for 06-07 Insurance Premium increase, \$100,000 for the phone system, \$75,000 for Professional Development, \$50,000 for supplies and \$50,000 for Information Systems succession planning.

4. Special Education: 5-Year Comparison (LACOE-Required Deficit Reduction Plan (handout))

- LACOE is concerned about deficit spending, especially for Special Education. We're trying to control the rate of growth, and a public meeting was held to discuss this.

5. Level III Developer Fees Increase Effective August 14, 2006

- Notification of the increase and supporting documentation was sent to the appropriate public agencies for the increase in Developer Fees.
- If the State's Mega-Bond passes, the Governor wants to "sunset" Developer Fees.

6. Calif. Supreme Court Ruling: Reimbursement from Public Agencies for CEQA-Related Project Improvements

- If a public entity puts improvements in place and other public agencies benefit from those improvements, that public agency is now allowed to go after those other agencies for reimbursement of part of the costs.

7. 2006-07 Budget Trailer Bill: *Line Item Veto Authority* (AB 1802)

- Mr. Braham stated that the Governor signed the Trailer Bill which includes one-time funding, including Mandated Cost Claims, for which we're owed over \$1.4 million+. We're using MAXIMUS instead of Centration for our Mandated Cost Reimbursement Claims and hope to see payments soon.

8. Status of SMMCTA Negotiations

- Negotiations are progressing and all opened Articles are being discussed.
- The District's COLA for 2006-07 is primarily utilized to support the overall increase in operating costs; for example, 22% of the COLA went to increased medical benefit costs.

9. Measure "S" Senior Exemption Update (handout)

- A spreadsheet was distributed comparing the 2005-06 and 2006-07 Measure "S" Senior Exemptions with 2,782 exemptions in 2006-07, a decrease of 38 from 2005-06.

C. Pending Board of Education Items with Financial or Financial Management Implications

1. Accept Receipt of Official "Positive" 2006-07 Budget Certification from LACOE (8/17/06)
- A copy of Board Action/Major Item A.13 was distributed to members.

V. **New Business** (*for Discussion*) (*handout*)

- Members reviewed and discussed the FOC applications to replace the two members who have since left.

VI. **Receive and File** (*Limited Discussion*)

School Services: *Fiscal Report* dated August 18, 2006 (*handout*)

VII. **Public Comments:**

Barbara Inatsugu, Jim Jaffe

VII. **Agenda Planning for the Next Meeting:**

October 10, 2006

VII. **Adjournment.** Meeting adjourned at 8:54 p.m.