



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

Financial Oversight Committee

Minutes - Amended

October 10, 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], Denny Kernochan, Cynthia Torres. (Staff) Winston Braham, Dawn Smithfield. (Public) Jim Jaffe. Absent: Carolyn Galantine, Craig Hamilton, Patricia Hoffman Cheryl Stecher [Co-Chair] and (Board Liaisons) Julia Brownley, Oscar de la Torre.

I. Call to Order

The meeting was Called to Order at 7:15 p.m. by Chair Paul Silvern.

II. Approval of the Minutes:

Due to a lack of quorum, the Minutes from the 6/15/06 and 9/5/06 meetings will be carried over for approval at 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

- Ms. Torres and Mr. Kernochan will review the 2006-07 Final Budget and research other districts' budget summaries for possible formats to use for SMMUSD.

E. Enrollment Forecast/Long-Range Trends

- We have the first in-house enrollment estimate and are right on target with our projections. There is a decrease of <289> from October 2005.

F. Monthly Revenues, Expenditures Summary & Adopted Budget Comparison

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

A. Governmental/Legislative Issues Concerning District Finances

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

- A (4) page color brochure, *Information About Measure BB*, has been created as a letter from the Superintendent detailing the school safety and repairs in the Measure.
- We're hoping to have at least (2) mailings sent out to voters before the Election. Members were concerned about the informational campaign. Precinct walking will take place soon, but we need to ensure voters are getting sufficient information to pass the Measure, which has already been endorsed by the Malibu City Council.

2. Update on Facilities Master Plan (FMP)
 - Since the Board elongated the Facilities Master Plan process, there is no update at this time, except that the consultant has prepared the 2nd version of long range enrollment forecast for further input and staff discussion.

3. Status of SMMCTA Negotiations
 - **We were advised that The the** Tentative Agreement (TA) **was is about to be** executed ~~10/16/06~~; the Articles and language have been set.
 - The SEIU agreement will expire in June 2007 and their contract contains an implicit “Me, Too” clause for the same increase as the teachers.

4. Update on Workers’ Compensation Rating and Transition Plan
 - The Retrospective has been cleaned up in the amount of \$14.0 million. Keenan & Associates advised us that we’re on the verge of \$.20 per \$100 payroll deduction because of our clean-up and preventative efforts over the past (2) years and now have a flat rate premium with no Retrospective/Confidence funding for (5) years.

5. Update RE: District’s Plans to Implement Medical Provider Network, Chemical Retention, Storage & Disposal Sweep and Related Policy Development
 - Health & Welfare benefits will increase \$75,000 per month in January 2007.
 - While Aetna is offering a competitive rate, no insurance company will commit to locked multi-year rates. If we leave Cal-PERS, we must stay out for (5) years. Additionally, because Cal-PERS does not release claims history, securing or creating effective model or premium projections will be a problem, thus, the exit evaluation dilemma.
 - Medical Provider Network is in place to control treatment for the life of the injury.
 - A District Respirator team is being put together, chemical sweep will take place, which involves policy change, standards in labs, supplies, etc.

6. Update on Mandated Costs Reimbursement
 - We’ve begun to receive small checks for deferred and postponed \$1.5 million reimbursement monies, however, the State Controller actively seeks to recapture approximately 85¢ of each dollar due to adverse audit findings so funds are being held and spent with caution.

7. Impact of Microsoft \$1.1 Billion Antitrust Settlement: \$650 Million to California K-12
 - This breaks down to \$44 per student, which could come as software and equipment for students. Educational Services must process the necessary paperwork.

8. 2005-06 Measure “S” Summary - Unaudited Closing (handout)
 - The District’s Auditor, Mr. Roy J. Blair, has reviewed the document and will accomplish the required audit.

9. SB 1133 & P.E., Music & Arts Funding
 - As a result of the SB 1133 CTA lawsuit against the Governor, approximately \$1.0 million in (1) time and \$200,000 in ongoing monies will be allocated to schools for P.E., Music and Arts. This breaks down to approximately \$80 per student.

- A committee is being formed to decide how it will be split among these categories. In 2006-07, most will be put toward Music.

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)
 - This was previously distributed to members. LACOE has also certified the 2005-06 Unaudited Actual Financial Report.

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

A. Follow-up to 10/9/06 FOC Subcommittee Interviews: Recommendations of Applicants to fill (2) FOC Positions

- Members discussed the applicants who were interviewed by the Subcommittee.

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

School Services: *Fiscal Reports dated 8/4/06 and 9/1/06 (handouts)*

VII. **Public Comments:**

Jim Jaffe

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

November 7, 2006

VII. **Adjournment.** Meeting adjourned at 8:45 p.m.