

Joint meeting between the SMCSBA Executive Committee and the San Mateo County Superintendent of Schools, Superintendent's Sub Committee

Meeting Minutes 10/13/08

Attendees:

Superintendent of Schools, Superintendent's Sub Committee:

James Lianides, Assistant Superintendent Sequoia Union High School District  
Jean Holbrook, San Mateo County Superintendent of Schools  
Kenneth Ranella,, Superintendent Menlo Park City School District.  
Michael Crilly, Superintendent Jefferson Union High School District  
Ron Little, Assistant Superintendent South San Francisco Unified School District  
Steve Mitrovich, Superintendent San Carlos School District

Executive Board of the San Mateo County School Boards Association

Carrie Dubois, Cathy Rincon, David Mineta, Dennis McBride, Jolanda Schreurs  
Laura Rich, Kevin Martinez, Maria Diaz Slocum, Memo Morantes, Peter Hanley,  
Richard Holober, Shirlee Hoch, Ken Walker

Meeting started at 5:30PM.

This was a joint emergency meeting between the San Mateo County School Boards Association and the San Mateo County Superintendent of Schools Superintendents Steering Sub committee.

The purpose of the meeting was to discuss the actions that the Superintendents sub committee would like the San Mateo County School Boards Association to take with respect to the \$150 million loss of County investment funds.

Item 1. The San Mateo County Superintendent of Schools Superintendents sub committee requested that we write a letter to Lee Buffington, the San Mateo County Treasurer in order to:

- a) Express our concern about the loss of \$58 million suffered by schools
- b) Understand the methodology of calculating and apportioning the loss
- c) State that the preservation of capital should be his highest priority
- d) Request a meeting to discuss what the Treasurer's plans are going forward

Our letter would follow the same format as the letter written by Jean Holbrook, the San Mateo County Superintendent of Schools.

Item 2. Identify a School Board Trustee to be a representative to the San Mateo County Finance and Operations subcommittee which will be hiring an investment expert to help

rewrite the County's investment policy. The County approves the investment policy every January.

A motion was made to ask Stephen Rogers from the San Mateo High School District Board and Jeffrey Child from the Menlo Park City School District. Both are professionals in the field of financial investments and have attended the previous meeting held by Lee Buffington.

Motion made by Memo Morantes and seconded by Jolanda Schreurs to approve items 1 & 2. Motion passed with 11 approvals and two abstentions. Ken Walker and Richard Holober abstained.

Item 3. The San Mateo County Superintendent of Schools Superintendents sub committee requested that we write a letter to the San Mateo County Civil Grand Jury asking them to review the Treasurer's office practices and policies.

Jean Holbrook, San Mateo County Superintendent of Schools, indicated that the steering committee is considering hiring a forensic accountant to review the investment transactions and adherence to policies and meeting with attorneys to explore legal options. The sense of the group was this was a very complicated topic and we were not sure that the Grand Jury would have the expertise to undertake this task given the complexity of the topic.

This was a discussion item only with no motion offered.

Item 4. There was a discussion about writing a letter to the San Mateo County Board of Supervisors notifying them that we, as stewards of the public schools' money and as representatives of the tax paying public are greatly concerned about the losses incurred by the San Mateo County Treasurer, Lee Buffington. It was clarified that the investment policies of the San Mateo County Board of Supervisors provide the legal guidance to be followed by the Treasurer and his office.

The suggestion was made that the San Mateo County Board of Supervisors undertake an investigation independent of the Office of the Treasurer with representation from the San Mateo County School Boards Association; the Superintendents Steering Sub Committee, and other groups affected by the losses. We talked about the need to:

- a) Quickly review the current investments to insure that there are not other investments that are at considerable risk of losing significant value.
  1. There was a discussion that they have investments in Morgan Stanley and small regional banks which raise concern.
  
- b) Initiate a review of the immediate past practices of the Treasurer's office with respect to the Investment Pool of the 25 San Mateo County School Districts to ascertain if there was adherence to the legally adopted policies and procedures of the San Mateo County Board of Supervisors which govern those investments.

We discussed that this was important so the appropriate corrective actions could be instituted to prevent future incidents as well as ascertain if there was negligence.

Motion made to send a letter to the Board of Supervisors asking them to investigate the Treasurer's actions by Jolanda Schreurs and seconded by Laura Rich.

Motion passed with 12 approvals and Richard Holober abstaining.

Meeting ended at 6:50PM. Minutes taken by Dennis McBride

DRAFT