



SMMUSD Financial Oversight Committee

Date: Thursday, February 23, 2023

Time: 6:00 pm to 8:00 pm

Via Zoom by phone at: 669-900-6833 or online at:

<https://zoom.us/j/87194305360?pwd=bWl2Umh6akdwdEV5b3Z6VFJ2NHl6UT09>

Meeting ID: 871 9430 5360 / Passcode: Oversight1 - Per Assembly Bill 361 Issued By Governor Gavin Newsom and SMMUSD Board of Education Resolution No. 22-23

AGENDA

Assembly Bill 361 (9/2021) added section 54953(e) to the Government Code, authorizing a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act during a declared state of emergency under specific scenarios. The law remains in effect until January 1, 2024. Due to the state of emergency proclaimed by Governor Newsom in response to the COVID-19 pandemic and its highly contagious variants, and as authorized by per AB 361 and SMMUSD Board of Education Resolution No. 22-23, the February 23, 2023 FOC meeting will be held virtually. Members of the public can observe the FOC meeting and give public comment virtually by submitting a Google survey “sign up”.

The intent is not to limit public participation, but rather to protect public health by following the Governor’s Stay at Home executive order and the LA County’s Safer at Home order. Persons wishing to address the Committee regarding an item that is scheduled for this meeting must submit a Google survey “sign up” prior to discussion of that item. Persons wishing to address the Committee regarding an item that is not scheduled on this meeting’s agenda may speak during the Public Comments section by submitting the Google survey “sign up” at the beginning of the meeting.

Instructions for public comments

1. Submit a Google survey “sign up” at <https://forms.gle/KHFk8zsmDaPnP5wj6>. This survey will take the place of the “speaker chits” available at meetings.
2. Speakers will fill in their name and select if they wish to address the committee regarding a specific agenda item or during General Public Comments.
3. Speakers are asked to attend the FOC meeting virtually through the call-in number at the top of the agenda.
4. When it is time for the speakers to address the committee, their name will be called.
5. As with all meetings, once discussion begins on an agenda item, any speakers who sign up after that time will be given one minute to speak.

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

Treat everyone with respect and courtesy.	Keep an open mind and, if merited, allow yourself to be persuaded to change your opinion.
Listen to others respectfully.	Acknowledge dissension as a civic right and as a tool to use to reach the best decisions.
Agree to disagree, and don’t make it personal; discuss the issue, not the person.	Accept responsibility and maintain self-control.

Instrucciones para comentarios del público

1. Una encuesta de Google "registrarse" <https://forms.gle/VnzEy8qbCC1oWvtV8>. Esta encuesta ocupará el lugar de las “fichas” disponibles en las reuniones.
2. Los miembros del público las completarán con su nombre y seleccionarán si desean dirigirse a la junta con respecto a un punto específico de la orden del día o durante los comentarios públicos generales.

3. Se pide a las personas que deseen hacer comentarios que asistan a la reunión de la junta virtualmente a través del enlace que contiene la invitación de llamada de conferencia en la parte superior de la agenda.
4. Cuando llegue el momento de que el público se dirija a la junta directiva, se mencionará su nombre.
5. Al igual que las demás reuniones, una vez que comience el debate sobre un punto de la orden del día, los oradores que se inscriban después de ese momento, tendrán un minuto para hablar.

NORMAS DE CONDUCTA QUE PROMUEVEN LA CIVILIDAD EN TODAS LAS REUNIONES PÚBLICAS:

Tratar a todas las personas con respeto y cortesía.	Mantener la mente abierta, y si la ocasión lo amerita, permitir ser persuadido a cambiar de opinión.
Escuchar a los demás de manera respetuosa.	Reconocer el disenso como un derecho cívico y como una herramienta para tomar las mejores decisiones.
Aceptar las diferencias y no tomarlas de forma personal; debatir el asunto, no la persona.	Aceptar la responsabilidad y mantener el autocontrol.

I. Call to Order (5 min)

II. Welcome (5 min)

- A. New Member: Samantha McQuaid
- B. Board Liaisons: Alicia Mignano and Stacy Rouse

III. Approval of Agenda (5 min)

IV. Approval of FOC Meeting Minutes (5 min) January 11, 2023

V. Assistant Superintendent, Business and Fiscal Report: Melody Canady

- A. RDA Audit 2021-22 – Cooperative Strategies (30 min)
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/2021-22RDAuditResultsLookbackPeriod.pdf>

VI. Discussion/Action Items

- A. Presentation of Special Education mid-year (30 min)
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/FOC-SpecialEducationReport022323.pdf>
- B. Proposed Draft 2023-24 Measure R Annual Plan (30 min)
<https://drive.google.com/file/d/1h7kWGilccPXA33UwjCo7oBI1SFXuqie9/view?usp=sharing>
- C. FOC mid-year progress report to the Board (20 min)
- D. Future meeting formats (10 min)

VII. Ad hoc Subcommittee Report (30 min)

- A. Budget Recommendations
 - i. General: *Mr. Beekman, Mr. Jacobson, Mr. Chin, Mr. Christensen*
 - ii. Unfunded Liabilities: *Mr. Jacobson, Mr. Kremer, Mr. Rotgin, Mr. Chin, Ms. Maniar*
- B. Tax Revenue and Assessed Valuation: *Mr. Kremer, Mr. Beekman, Mr. Crawford*
- C. Bond Oversight: *Mr. Kremer, Mr. Crawford, Mr. Rotgin, Mr. Chin*
- D. Measure R Reporting and Process Review: *Mr. Crawford, Mr. Landres, Ms. Maniar*
- E. Financial Communication and Reporting: *Mr. Landres, Mr. Jacobson, Ms. Maniar, Mr. Christensen, Mr. Farivar*
- F. Nomination: *Mr. Rotgin, Ms. Maniar, Mr. Farivar, Mr. Crawford*

VIII. Receive and File (*Limited Discussion*)

- A. CERBT Account Update Summary – 12/31/22
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/CERBTAccountUpdate123122.pdf>
- B. CERBT GASB 75 Schedule of Changes in Fiduciary Net Position by Employer Report – 6/30/22
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-GASB75ScheduleofChanges063022.pdf>
- C. CERBT Asset Class Fact Sheets – 12/31/22
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/CERBTAssetClassFactSheet123122.pdf>
- D. FOC Memo to SMMUSD Board re: Negotiated Repurchase – Tender Refinancing, 1/23/23
https://drive.google.com/file/d/1iwm19D9kk88zuLPUHy0BlkU_ODiYmVYI/view?usp=sharing

IX. Public Comments

- A. Public Comments is the time when members of the audience may address the Committee on items not scheduled on the meeting’s agenda. All speakers are limited to three (3) minutes. When there are a large number of speakers, the Chair may reduce the allotted time to two (2) minutes per speaker. The Brown Act (Government Code) states that Committee members may not engage in discussion of issues raised during “XIII. Public Comments” except to ask clarifying questions, make a brief announcement; make a brief report on his or her own activities, or to refer the matter to staff. This Public Comment section is limited to 20 minutes. If the number of persons wishing to address the Committee exceeds the time limit, additional time will be allowed at the discretion of the Chair.

X. Committee Comments

XI. Next Meeting:

- Tuesday, March 21, 2023
- Tuesday, May 23, 2023
- Thursday, June 15, 2023
- TBD (July/Aug 2023) * Please note: This is a Joint Meeting / Study Session with the Board of Education – *SMMUSD Office Board Room, 1651 16th Street.*

XII. Adjournment

Future Meetings will be held monthly in the Board Room at the District’s Administrative Offices, 1651 16th Street, Santa Monica, California, unless otherwise noted.

In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the meeting room, to access written documents being discussed at the meeting, or to otherwise participate at the meetings, please contact the Office of Assistant Superintendent, Business and Fiscal Services at 310-450-8338 for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the meeting and to provide required accommodations, auxiliary aids or services.



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Wednesday, January 11, 2023

Time: 6:00 pm to 8:00 pm

Location: Zoom

I. Call to Order

6:01 pm

Committee Members: Ryan Chin
Alex Farivar
Seth Jacobson
Michael Rotgin
Kaya Schwartz, SAMOHI student rep – *departed @ 6:52 p.m.*

Dillon Christensen
Matthew Crawford– *arrived @ 6:14 p.m.*
Michael Kremer
Payal Maniar.

Staff: Melody Canady
David Chiang
Dr. Mark Kelly

Gerardo Cruz
Bonnie Kung
Carey Upton – *departed @ 7:39 p.m.*

Board Liaison: Jon Kean

Absent: JW Beekman
Felix De Raspide Ross, Malibu student rep

Shawn Landres

Public: Jon Isom, Isom Advisors – District Bond Advisor – *departed @ 6:44 p.m.*
John Baracy, Raymond James – District Underwriter – *departed @ 6:44 p.m.*
Alex Boutyrski, Raymond James – *departed @ 6:44 p.m.*
Brandon Bassell, Raymond James – *departed @ 6:44 p.m.*
Shin Green, Eastshore Consulting, LLC – *departed @ 7:38 p.m.*

II. Approval of Agenda

6:02 pm

A motion was made by Mr. Rotgin and seconded by Mr. Kremer to approve the meeting agenda.

AYES: Seven (7) (Mr. Chin, Mr. Christensen, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Rotgin)

STUDENT ADVISORY VOTES: One (1) (Ms. Schwartz)

NOES: None (0)

ABSENT: Three (3) (Mr. Beekman, Mr. Crawford, Mr. Landres)

ABSTAIN: None (0)

III. Approval of FOC Meeting Minutes

6:03 pm

A motion was made by Mr. Rotgin and seconded by Ms. Maniar to approve the December 7, 2022 meeting minutes.

AYES: Six (6) (Mr. Chin, Mr. Christensen, Mr. Farivar, Mr. Kremer, Ms. Maniar, Mr. Rotgin)

STUDENT ADVISORY VOTES: One (1) (Ms. Schwartz)

NOES: None (0)

ABSENT: Three (3) (Mr. Beekman, Mr. Crawford, Mr. Landres)

ABSTAIN: One (1) Mr. Jacobson

Mr. Jacobson abstained as he was not present for the meeting.

IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady

6:05 pm

A. Explore Bond Refunding Opportunity

Mr. Baracy from Raymond James and Mr. Isom from Isom Advisors presented a brief presentation of the refunding opportunities for general obligation bonds through negotiated repurchase/tax-exempt general obligation refunding and existing escrow restructuring. They answered the committee's questions regarding the potential risks involved, whether other districts were also pursuing the opportunities, and the expected timeframe for the refunding process.

The Bond Oversight subcommittee met with staff and the bond finance team regarding the refunding opportunities and supported a recommendation to further explore the opportunities subject to the terms and conditions set out by the FOC at the meeting.

Ms. Canady acknowledged that Dr. Kelly, Interim Superintendent, was present for the meeting.

The presentation may be found at the following link:

<https://drive.google.com/file/d/1-AuUH3P7ljPJ35QvWNwnz73ORfoDjL1c/view>

A motion was made by Ms. Maniar and seconded by Mr. Chin to recommend that the Board of Education further look into the bond refunding opportunities.

AYES: Eight (8) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Rotgin)

STUDENT ADVISORY VOTES: One (1) (Ms. Schwartz)

NOES: None (0)

ABSENT: Two (2) (Mr. Beekman, Mr. Landres)

ABSTAIN: None (0)

V. Discussion/Action Items

6:44 pm

A. Financial Framework for Unification

Mr. Green from Eastshore Consulting provided the committee an update on the unification process and territory transfer between SMMUSD and the City of Malibu. The two parties arrived at an alternative methodology to divide SMMUSD into a discrete Santa Monica USD and Malibu USD. A termsheet was executed in late 2022 to memorialize the agreed methodology, with the following additional three (3) agreements to be drafted: 1) Tax and Revenue sharing agreement, 2) Operation agreement, and 3) Joint Powers agreement.

He answered the committee's questions and provided further clarification regarding the trigger adjustments, the distribution of teachers between the two districts, the allocation of the bonded debts, the Joint Powers Agreement and the anticipated timeline of the unification process and its impact on budget preparations.

The committee requested an update be provided towards the end of the school year. Mr. Shin anticipates that there will be progress by the end of the fiscal year.

The presentation may be found at the following link:

<https://drive.google.com/file/d/1xjJJK4dmtYBm6CahsCZKt1aZHHx71Zaj/view>

Term sheet referenced in the presentation may be found at the following link:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/1792/Termsheet-FormationofMUSDandSMUSD102822.pdf>

7:38 pm

B. 1st Interim Budget Report

Ms. Canady and Mr. Cruz provided the committee with an overview of the 1st Interim Report that was presented at the December 8, 2022 Board of Education meeting. The changes in expenditures included the retroactive 10% increased salaries and the HVAC systems that were installed at the school sites.

The 1st Interim documents may be found at the following links:

- Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391912&MID=14502>
- Attachment: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391911&MID=14502>
- Multi Year Projection (MYP): <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391910&MID=14502>
- Fiscal Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391909&MID=14502>
- Standard Account Code Structure (SACS) Report:
<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391907&MID=14502>
- Adopted Budget Review Letter from LACOE: First Interim Budget
<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=391908&MID=14502>

7:59 pm

C. FOC Vacancy Candidate Recommendation

Mr. Rotgin shared a memorandum from the Nominations subcommittee which detailed the steps taken to select Samantha McQuaid to fill the vacancy in the FOC.

The memorandum may be found at the following link:

https://drive.google.com/file/d/1frdm0GAM0189Qhq__jW82Bz31iYdpADW/view

A motion was made by Mr. Rotgin and seconded by Mr. Crawford to recommend that the Board of Education appoint Samantha McQuaid to fill the vacancy in the Financial Oversight Committee.

AYES: Eight (8) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Rotgin)

STUDENT ADVISORY VOTES: One (1) (Ms. Schwartz)

NOES: None (0)

ABSENT: Two (2) (Mr. Beekman, Mr. Landres)

ABSTAIN: None (0)

8:07 pm

D. Future Meeting formats

The committee reviewed the options available for meeting virtually after the Governor's State of Emergency under AB 361 sunsets on February 28, 2023. Mr. Kean will check with the District's legal counsel in regards to the policies for District appointed committees to continue meeting virtually.

The presentation slides may be found at the following link:

https://drive.google.com/file/d/1ITtDxuX7xtBj9_Dnmupl6Bpxz2skiZwF/view?usp=sharing

VI. Ad hoc Subcommittee Report

8:14 pm

A. Budget Recommendations

- i. General: *Mr. Beekman, Mr. Jacobson, Mr. Chin, Mr. Christensen*

There was no update.

- ii. Unfunded Liabilities: *Mr. Jacobson, Mr. Kremer, Mr. Rotgin, Mr. Chin, Ms. Maniar*

The subcommittee requested a meeting with staff to discuss existing unfunded liabilities processes and requirements under GASB. Mr. Kean will send the previous report completed by the past FOC subcommittee.

The subcommittee defined their scope of work as the following:

- 1) find an intern to research similar districts (e.g. Beverly Hills, Manhattan Beach, La Canada Flintridge) to see their processes and procedures,
- 2) inquire from staff what the current rules and processes are in regards to GASB,
- 3) report back to the full committee with their recommendations and/or next steps.

- B. Tax Revenue and Assessed Valuation: *Mr. Kremer, Mr. Beekman, Mr. Crawford*

The subcommittee will meet to review the RDA report. They are continuing their efforts on enforceable obligations and refinancing opportunities. The subcommittee and staff will try to set a meeting with a former FOC member.

- C. Bond Oversight: *Mr. Kremer, Mr. Crawford, Mr. Rotgin, Mr. Chin*

The subcommittee met with staff and the bond finance team regarding the refunding opportunities. They will be ready to assist as needed.

- D. Measure R Reporting and Process Review: *Mr. Crawford, Mr. Landres, Ms. Maniar*

The subcommittee will set initial meetings with staff to begin reviewing the District's 2023-24 Measure R Plan.

E. Financial Communication and Reporting: *Mr. Landres, Mr. Jacobson, Ms. Maniar, Mr. Christensen, Mr. Farivar*

The subcommittee met with Gail Pinsker to discuss the possibility of assisting with reporting templates. They will also be meeting with Deanna Sinfield to assist with a template for the Special Education presentation to the FOC.

F. Nominations: *Mr. Rotgin, Ms. Maniar, Mr. Farviar, Mr. Crawford*

Update was given during agenda item V.C. FOC Vacancy Candidate Recommendation.

- VII. Receive and File (Limited Discussion)** None
- VIII. Public Comments** None
- IX. Committee Comments** None
- X. Next Meeting:** February 23, 2023 - Zoom
- XI. Adjournment:** The meeting adjourned at 8:26 p.m.