

SMMUSD Financial Oversight Committee

Date: Thursday, November 10, 2022

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. 22-11

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. 22-11, the November 10, 2022 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;	Accept responsibility and maintain self-control.
discuss the issue, not the person.	

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 reuniónes.

- 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 reuniónes, 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	Mantener la mente abierta, y si la ocasión lo amerita,
cortesía.	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	Aceptar la responsabilidad y mantener el autocontrol.
forma personal; debatir el asunto, no la	
persona.	

- I. Call to Order (5 min)
- II. Approval of Agenda (5 min)
- III. Approval of FOC Meeting Minutes (5 min) September 22, 2022
- IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady
 - A. TIME STAMP 6:15 PM: GASB 75 Supplemental Schedules Disclosure Carlos Diaz, DFA (30 min)

https://drive.google.com/file/d/1vICIjhcJBHmG3D0V7BIKsIGxEIZeJWji/view?usp=sharing

V. Ad hoc Subcommittee Report (30 min)

- A. Budget Recommendations
 - i. General: Mr. Beekman, Mr. Jacobson, Mr. Chin, Mr. Christensen, Ms. Maniar
 - ii. Unfunded Liabilities: Mr. Jacobson, Mr. Kremer, Mr. Rotgin
- 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

VI. Receive and File (Limited Discussion)

A. CERBT Investment Information based on 2022 Capital Market Assumptions – 9/30/22 https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-InvestmentInformation2022CMAs.pdf

- B. GASB 75 Actuarial Report as of July 1, 2021 https://drive.google.com/file/d/1LDKqz F7AXhsoENgHOBM1i-6OYrKqKBX/view
- C. CERBT Account Update Summary 9/30/22 https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-AccountUpdate093022.pdf
- D. Message from Seth Jacobson -10/26/22
- E. Senior Exemptions from Measure R Parcel Tax https://drive.google.com/file/d/1nmWi9hZh2oZ8120lbJ0XodfUouNcaEJC/view?usp=sharing

VII. 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.

VIII. Committee Comments

IX. Next Meeting:

- Wednesday, December 7, 2022 Zoom
- Wednesday, January 11, 2023
- Thursday, February 23, 2023
- Tuesday, March 21, 2023
- Tuesday, May 23, 2023
- Thursday, June 15, 2023
- TBD (July/Aug 2023) * <u>Please note</u>: This is a Joint Meeting / Study Session with the Board of Education *SMMUSD Office Board Room*, 1651 16th Street.

X. Adjournment

Future Meetings will be held monthly in the Board Room at the <u>District's Administrative</u> 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.

From: Seth Jacobson

Sent: Wednesday, October 26, 2022 7:09 PM

To: Alex Farivar; Craig Foster; Dillon Christensen; Felix De Raspide Ross; Jon Kean; JW Beekman; Kaya Schwartz; Matthew Crawford; Michael Kremer; Michael Rotgin; Payal Maniar; Renu Mevasse; Ryan

Chin; Shawn Landres

Cc: Canady, Melody; Cruz, Gerardo; Kung, Bonnie

Subject: Malibu/SMMUSD Divorce Reportedly Imminent

Dear Fellow FOC members.

In case you had not seen or heard the rumors.

Malibu/SMMUSD Divorce Reportedly Imminent

KBUU is reporting that Malibu's yearslong battle to separate from the Santa Monica Malibu Unified School District (SMMUSD) could be finalized as early as this week.

According to KBUU, representatives from the city of Malibu and the Santa Monica School Board are apparently "very close to announcing a deal" that would allow Malibu to leave the district.

Malibu administrators today scheduled a closed-door session for Friday morning to discuss the city's efforts, and an SMMUSD spokeswoman told KBUU the school district and the city of Malibu would be issuing a joint statement following that meeting, which could be the official divorce announcement.

The surprise news comes about a year after Malibu renewed legal efforts to separate from SMMUSD, which has been one of the city's most contentious and central political issues for decades.

We'll update as more information comes in.



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Thursday, September 22, 2022

Time: 6:00 pm to 8:00 pm

Location: Zoom

https://drive.google.com/file/d/1ugxhAlA0dr29T0Qp1MCe7lE 2ri741S/view

I. Call to Order

6:02 pm Committee Members: JW Beekman Ryan Chin

Dillon Christensen Matthew Crawford Seth Jacobson Michael Kremer Payal Maniar Michael Rotgin

Kaya Schwartz, SAMOHI student rep

Staff: Melody Canady Gerardo Cruz

David Chiang Bonnie Kung

Board Liaison: Jon Kean

Absent: Alex Farivar Shawn Landres

Craig Foster Felix De Raspide Ross, Malibu student rep

Public: Karen Lookingbill, CalPERS – CERBT – departed @ 6:47 p.m.

II. Welcome

6:03 pm The FOC welcomed new member Dillon Christensen and student member Kaya Schwartz from

SAMOHI.

III. Approval of Agenda

6:05 pm A motion was made by Ms. Maniar and seconded by Mr. Kremer to approve the meeting agenda.

AYES: Eight (8) (Mr. Beekman, Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Jacobson, Mr.

Kremer, Ms. Maniar, Mr. Rotgin)

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

NOES: None (0)

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

ABSTAIN: None (0)

IV. Approval of FOC Meeting Minutes

6:06 pm A motion was made by Ms. Maniar and seconded by Mr. Rotgin to approve the June 16, 2022

meeting minutes.

AYES: Five (5) (Mr. Beekman, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Rotgin)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

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

ABSTAIN: Four (4) (Mr. Chin, Mr. Christensen, Mr. Crawford, Ms. Schwartz)

Mr. Chin, Mr. Christensen, Mr. Crawford and Ms. Schwartz abstained as they were not present for the meeting.

V. Annual CERBT Update Presentation: Karen Lookingbill, CalPERS-CERBT Program

Ms. Lookingbill provided the committee with an annual update. The committee requested additional information to better understand how the liabilities and changes are calculated. Staff will reach out to the district's actuary to prepare the requested information and provide further details, possibly at a future meeting. Ms. Lookingbill will provide a spreadsheet with comparison data across several districts.

Mr. Kean encouraged the budget subcommittee to review the changes in the liability reported for the recent years. Staff will send the full GASB 75 actuarial report presented at the March 23, 2022 FOC meeting.

The presentation may be found at:

https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-AccountUpdateKL091422.pdf

VI. Assistant Superintendent, Business & Fiscal Report: Melody Canady

6:49 pm A. Unaudited Actual Report – September 14, 2022 Board meeting

Ms. Canady provided the committee with an overview of the unaudited actuals presentation from the September 14, 2022, Board of Education meeting. Staff explained the \$6.8M difference between the June estimates and September actuals, with around \$3M in additional revenues, \$2.2M in unspent certificated salaries, and other various unspent costs.

Staff will update the multi-year projection to reflect the retroactive raises in the 2023-25 outyears. The retroactive raises were not included in the unaudited actuals as the agreement was not reached by June 30, 2022. The raises and retro pay will be incorporated into the 2022-23 fiscal year and be reflected in the First Interim report.

Mr. Cruz clarified that the \$2.1M audit report restatement pertained to Fund 71 and that further clarification was needed on how to address the remaining fund balance in Fund 71.

The following unaudited actual documents may be found at the links below:

Report: https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=339693&MID=12988

Presentation: https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=338962&MID=12988

VII. Discussion/Action Items

7:32 pm A. FOC Charges and Board of Education mandates for 2022-2023

The committee reviewed the 2022-23 FOC charges approved at the September 1, 2022 Board of Education meeting. The Board's meeting minutes (Item II.I.2.ii) may be found at the end of these minutes.

7:32 pm B. Election of Ad hoc Subcommittee Membership

The subcommittee membership are as follows:

- 1. Budget Recommendations
 - i. General: Mr. Beekman, Mr. Jacobson, Mr. Chin, Mr. Christensen, Ms. Maniar
 - ii. Unfunded Liabilities: Mr. Jacobson, Mr. Kremer, Mr. Rotgin
- 2. Tax Revenue and Assessed Valuation: Mr. Kremer, Mr. Beekman, Mr. Crawford
- 3. Bond Oversight: Mr. Kremer, Mr. Crawford, Mr. Rotgin, Mr. Chin
- 4. Measure R Reporting and Process Review: Mr. Crawford, Mr. Landres, Ms. Maniar
- 5. Financial Communication and Reporting: Mr. Landres, Mr. Jacobson, Ms. Maniar, Mr. Christensen, Mr. Farivar
- 6. Nominations: Mr. Rotgin, Ms. Maniar, Mr. Farviar, Mr. Crawford

Ms. Schwartz will join the General Budget and Financial Communications and Reporting subcommittees.

C. Conflict of Interest Pledge

7:57 pm The conflict of interest pledge is an annual document that must be signed by all members. The pledge will be circulated for member signatures and will be electronically provided to all members after all members have signed the pledge.

VIII. Receive and File (Limited Discussion)

7:57 pm A. CERBT Account Update Summary – 06/30/22

 $\underline{https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBTAccountUpdate063022.pdf}$

- $B. \ \ CERBT \ Asset \ Class \ Fact \ Sheets 06/30/22 \\ \underline{ \ \ https://www.smmusd.org/cms/lib/CA50000164/Centricity/domain/300/finreports/CERBT-AssetClassFactSheet063022.pdf}$
- C. Joint Meeting Minutes / Study Session with the Board of Education: August 11, 2022
- IX. Public Comments None
- X. Committee Comments

6:03 pm Ms. Maniar informed the committee that Ms. Mevasse had resigned from the FOC due to work commitments.

XI. Next Meeting: Thursday, November 10, 2022 - Zoom XII. Adjournment: The meeting adjourned at 7:59 p.m.



September 1, 2022

I. CONSENT ITEMS

The board approved Item Nos. 1.i-v, 2.i-vi, 3.i-iii, 4.i-vi, and 5. i-ii listed under the Consent Calendar.

Passed with a motion by Dr. Tahvildaran-Jesswein and a second by Ms. Lieberman.

Absent Mr. Craig Foster
Yes Mr. Jon Kean

Yes Ms. Maria Leon-Vazquez
Yes Ms. Laurie Lieberman
Yes Ms. Jennifer Smith

Yes Dr. Richard Tahvildaran-Jesswein

Minutes:

Time Start: 7:58 p.m. Time End: 8:01 p.m.

- 1. Curriculum and Instruction Items
 - i. Approval of Independent Contractors 2022-23
 - ii. Overnight Field Trip(s) 2022-23
 - iii. Conference and Travel Approval/Ratification-2022/2023
 - iv. Consolidated Application
 - v. Special Education Contracts 2022-23
- 2. Business and Fiscal Items
 - i. Award of Purchase Orders PO List
 - ii. Approve Charges for Financial Oversight Committee (FOC) -- 2022-23
 - iii. Award of Contract REQ/P #23.02 Request for Qualifications and Proposal for Asbestos Hazard Emergency Response Act (AHERA) Inspection and Management Plan Services to Ninyo & Moore
 - iv. Renew Contract Alliance of Schools for Cooperative Insurance Programs (ASCIP)
 - v. Approval of The Regents of the University of California Contact Number 2019001564 for Elevator, Escalator, Chairlift and Platform Lift Maintenance & Repair and related services and Acceptance and Authorization for Use of The Regents of the University of California Contact Number 2019001564 for Elevator, Escalator, Chairlift and Platform Lift Maintenance & Repair and Related Services Kone, Inc.
 - vi. Adopt Resolution No. 22-04 Declaring the Futility of Publicly Bidding Unforeseen Soil and Asphalt Conditions Work at McKinley Elementary School (Bid # 23.01) and Approving a Change Order #01
- 3. Facilities Improvement Project Items
 - i. Contract Amendment #04 to Agreement Franklin Elementary School -Makerspace and Playfields Project – Architectural and Engineering Services – dsk Architects – Measure SMS
 - ii. Change Order #12 Grant Elementary School HVAC Project Construction Contract Bid #21.01.SMS.R1 Pardess Air Inc. Measure SMS
 - iii. Accept Work as Complete Lincoln Middle School HVAC Project -Construction Contract Bid #21.05 SMS – Archico Design Build, Inc. – Measure SMS
- 4. Personnel Items

- i. Certificated Personnel Elections, Separations
- ii. Classified Personnel Merit
- iii. Classified Personnel Non-Merit
- iv. Increase in Staffing (FTE) Grant Elementary
- v. Increase in Staffing (FTE) Will Rogers Learning Community
- vi. Increase in Staffing (FTE) Special Education

5. General Consent Items

- i. Child Development Services Parent Handbooks -- 2022-23
- ii. Adopt Resolution No. 22-05 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor Newsom Dated March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period of October 1, 2022, through October 31, 2022

Format A in SM 09/01/2022 05:30 PM

District Office and Zoom 1651 16th St., Santa Monica, CA 90404

Printed: 9/14/2022 5:01 PM PT

ITEM: II.I.2.ii. Approve Charges for Financial Oversight Committee (FOC) -- 2022-23

Recommended Motion

It is recommended that the Board of Education approve the following charges for the Financial Oversight Committee (FOC) for 2022-23.

Rationale

The Board of Education convened a joint session with members of the Financial Oversight Committee (FOC) on <u>August 11, 2022</u>. During that joint meeting, the FOC presented proposed charges for 2022-23.

Comments

- <u>Budget Recommendations</u> This committee will review, evaluate, and assist Fiscal staff in
 evaluation and development of the district's annual budget and any budget-related efforts as well
 as provide additional analysis and guidance regarding any elements of the budgeting process.
 This subcommittee will also work on a new charge to include research and analysis of the
 district's unfunded liabilities and GASB process for fiscal review and accounting.
- <u>Tax Revenue and Assessed Valuation</u> This subcommittee will review and report relevant
 updates and information regarding the Cities of Santa Monica and Malibu's redevelopment funds,
 assessed valuation report, and sales tax revenue impacting YY and GSH funds. The subcommittee
 will continue to assist with RPTTF revenue distributions and any refinancing of the Successor
 Agency's Enforceable Obligations.
- Bond Oversight This subcommittee will review debt financings contemplated by the District and communicate findings to the FOC for discussion, prior to Board action. The subcommittee will also continue to monitor the district's Debt Issuance and Management Policy for updates as needed.
- <u>Measure R Reporting and Process Review</u> This subcommittee will review and assist in optimizing reporting, communication, and public engagement around the Measure R annual plan.
- <u>Financial Communication and Reporting Subcommittee</u> This subcommittee will provide assistance and guidance regarding approaches to finance-related communications with the public and will serve as a resource to the Community & Public Relations Office with respect to planning for and responding to key fiscal events.



BOARD OF EDUCATION MEETING MINUTES – "HYBRID" MEETING FORMAT

August 11, 2022

E. STUDY SESSION

These items are staff presentations and/or updates to the Board of Education.

1. Joint Meeting with Financial Oversight Committee (FOC) (30 min)

Time Start: 6:05 p.m. Time End: 6:47 p.m.

Public Comments:

• Ann Thanawalla and Nikki Kolhoff addressed the board regarding this item.

Mr. Kean remarked on and clarified points made during public comments. The FOC thanked Mr. Craig Foster, who is not running for reelection on the board, for serving as a board liaison to the FOC for many years. The board thanked the FOC members for their thorough and well-organized report. The 2022-23 charges are scheduled to return for action at the next board meeting.

Hybrid Format in SM 08/11/2022 05:30 PM

District Office and Zoom 1651 16th St., Santa Monica, CA 90404

Printed: 8/5/2022 1:19 PM PT

ITEM: II.E.1. Joint Meeting with Financial Oversight Committee (FOC) (30 min) 🔗



Rationale

As part of the requirement associated with the annual funds given to the School District from the City of Santa Monica, the Financial Oversight Committee (FOC) was appointed as an independent oversight committee regarding the financial matters of the District. This includes an annual report from the FOC to the School Board, reviewing the past year and offering its observations about the District's financial matters.

In addition, the FOC's charge was amended at the June 5, 2008, Board meeting (Item A.22) to include responsibilities associated with the Measure R parcel tax, approved by the voters at the February 2008 Special Election. Measure R requires that an Independent Citizens Oversight Committee monitor proposed and actual parcel tax expenditures each year.

Therefore, in compliance with the foregoing, the Board of Education will convene a joint session with members of the Financial Oversight Committee on August 11, 2022.

Supporting Documents

FOC 2021-22 YE Presentation for BOE FOC 2021-22 Year End Report