



SMMUSD Financial Oversight Committee

Date: Wednesday, December 7, 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. 22-17

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. 22-17, the December 7, 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; 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. Approval of Agenda (5 min)**
- III. Approval of FOC Meeting Minutes (5 min)** November 10, 2022
- IV. Discussion/Action Items**
 - A. District Audit Report – Eide Bailly LLP (45 min)
https://drive.google.com/file/d/1P_vb98SqKTW7SBBe_6ZM_gNYDHF5_B6Z/view?usp=sharing
 - B. Measure R Audit Report – Eide Bailly LLP (30 min)
https://drive.google.com/file/d/1fM06Qaojahk8E3qU1jAc_jiPfgzGdx-J/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, 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*
- VI. Receive and File (Limited Discussion)**
 - A. 2022-23 Financial Oversight Committee (FOC) Conflict of Interest Pledge
https://drive.google.com/file/d/1yq_zACZpOL_p-FxpHHSSCTjoZGjbbri5/view?usp=sharing
 - B. Superintendent Announcement dated November 18, 2022
 - C. CERBT Asset Class Fact Sheets – 9/30/22
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/CERBT-AssetClassFactSheet093022.pdf>

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, January 11, 2023 - Zoom
- Thursday, February 23, 2023
- 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.*

X. 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.



Nov. 18, 2022

Superintendent's Message: Important Announcement

Dear Students, Parents, Staff, Students and Community Members,

I wanted you to hear from me that I was appointed Superintendent of Schools for the Bellflower Unified School District, effective January 2023. The BUSD Board of Education approved my appointment at their November 17 board meeting. I realize this is unexpected. I want to let you know that I have thoroughly enjoyed and appreciated serving as the Superintendent of SMMUSD and will always cherish my time here.

Together, we have accomplished many goals and laid the groundwork for continued success. I believe the district is poised to accomplish the mission of ensuring that all students are able to reach their full potential by providing an extraordinary educational experience for all while simultaneously closing the achievement gap.

Here are a few of our many bright spots:

- Positive fiscal outlook and continued fiscal stewardship and transparency
- Commitment of staff at each site to harness and use their collective wisdom to review, discuss and learn from results of student work and achievement data
- Parents' willingness to participate and partner with school staff and administration in supporting their student's progress and overall best interests of all students
- Staff and community commitment to research and identify practices, assumptions, and behaviors that serve as systemic barriers to success for some students
- Staff's willingness to develop curriculum that will not only teach academic skills needed for the real world, but also help our students acquire the knowledge, attitudes, and skills needed to function effectively in a pluralistic, democratic society and to interact, negotiate, and communicate with people from diverse groups to create a civic and moral community that works for the common good
- Modernization and facility improvements at all school sites creating 21st-century learning environments that align with our education specifications
- Expansion of student health and wellness programs in collaboration with partners

My specific January start date at Bellflower USD still has to be worked out between SMMUSD and BUSD.

I will continue to root for and support the journey you have embarked on, and my family and I thank you for six great years of educating our students and preparing them for college and career.

Sincerely,

Dr. Ben Drati, Superintendent



18 de noviembre de 2022

Mensaje del Superintendente: Anuncio importante

Estimados estudiantes, padres, personal, e integrantes de la comunidad:

Deseo que se enteren por mí que he sido nombrado Superintendente de Escuelas del Distrito Escolar Unificado de Bellflower, a partir de enero de 2023. La Mesa Directiva de Educación del BUSD aprobó mi nombramiento durante su reunión del 17 de noviembre. Entiendo que esto es inesperado. Quiero que sepan que he disfrutado y estoy agradecido por haber fungido como Superintendente del SMMUSD y siempre valoraré mi tiempo aquí.

Juntos hemos logrado muchas metas y hemos sentado las bases para un éxito continuo. Considero que el distrito está preparado para lograr la misión de asegurar que todos los estudiantes puedan alcanzar su máximo potencial al brindar una experiencia educativa extraordinaria para todos y, al mismo tiempo, cerrar la brecha del rendimiento académico.

A continuación, algunos de los muchos puntos importantes que hemos logrado:

- Un panorama fiscal positivo y una administración de las finanzas con una transparencia constante
- El compromiso del personal de cada plantel para aprovechar y utilizar su sabiduría colectiva para revisar, discutir y aprender de los resultados del trabajo de los estudiantes y de los datos del aprovechamiento académico
- La disposición de los padres a participar y colaborar con el personal y la administración de la escuela para apoyar el progreso y el interés general de todos los estudiantes
- El compromiso del personal y de la comunidad para investigar e identificar las prácticas, las suposiciones y las conductas que hacen las veces de barreras sistémicas que no favorecen al éxito de algunos estudiantes
- La voluntad del personal de desarrollar un plan de estudios a través del cual no sólo se enseñen las habilidades académicas necesarias para el mundo real, sino que también ayude a nuestros estudiantes a adquirir los conocimientos, actitudes y habilidades necesarias para funcionar eficientemente en una sociedad pluralista y democrática y para interactuar, negociar y comunicarse con personas de diversos grupos para crear una comunidad cívica y moral que trabaje por el bien común
- La modernización y mejoramiento de las instalaciones en todos los planteles escolares creando entornos de aprendizaje del siglo 21 que se coincidan con nuestras especificaciones educativas
- La ampliación de los programas de salud y bienestar para los estudiantes en colaboración con nuestros socios

La fecha específica de enero en que me incorporaré a Bellflower USD es un asunto que el SMMUSD y el BUSD aún están por determinar.

Seguiré apoyando el camino que han emprendido, y mi familia y yo les damos las gracias por los seis magníficos años en los que han educado a nuestros alumnos y los han preparado para la universidad y la carrera profesional.

Atentamente,

Dr. Ben Drati, Superintendente



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Thursday, November 10, 2022

Time: 6:00 pm to 8:00 pm

Location: Zoom

https://drive.google.com/file/d/1_LAzQAoagiiio35OikQh6gjrOluMjCRuO/view

I. Call to Order

6:03 pm

Committee Members: Ryan Chin
Alex Farivar
Michael Kremer
Payal Maniar
Kaya Schwartz, SAMOHI student rep – arrived @ 6:23 p.m.
Felix De Raspide Ross, Malibu student rep – arrived @ 6:37 p.m.

Dillon Christensen

Seth Jacobson – arrived @ 6:06 p.m.

Shawn Landres

Michael Rotgin

Staff:

Gerardo Cruz

Bonnie Kung

David Chiang

Board Liaison:

Jon Kean

Absent:

JW Beekman

Craig Foster

Matthew Crawford

Melody Canady

Public:

Carlos Diaz, DFA – departed @ 6:25 p.m.

II. Approval of Agenda

6:05 pm

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

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

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

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

ABSTAIN: None (0)

III. Approval of FOC Meeting Minutes

6:06 pm

A motion was made by Mr. Rotgin and seconded by Mr. Kremer to approve the September 22, 2022 meeting minutes.

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

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

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

ABSTAIN: One (1) (Mr. Landres)

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

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

6:07 pm

A. GASB 75 Supplemental Schedules Disclosure

Mr. Diaz provided the committee a brief overview of the GASB 75 supplemental schedules disclosure. As of June 30, 2022, the District's OPEB net liability decreased to \$56.5M from \$68.5M in June 30, 2021, mainly due to the change in the discount rate being used.

Mr. Cruz informed the committee of the auditors' recommendation to contribute the full amount in Fund 71. Staff will meet with the unfunded liabilities subcommittee and the auditors to further discuss and clarify their recommendation.

Mr. Diaz stated that they are keeping an eye on the inflation trends and how it will impact the projection of the benefits. He also informed the committee that adjustments to healthcare costs may be realized during the negotiations with the insurance companies due to the impact of COVID-19. However, Mr. Diaz advised that the current best practice would be to make short-term adjustments for any potential COVID-related impacts, rather than long-term changes to the strategy.

The report and presentation may be found at the following links:

- Report: <https://drive.google.com/file/d/1vICljhcJBHmG3D0V7BIKsIGxEIZeJWji/view?usp=sharing>
- Presentation: <https://drive.google.com/file/d/1Ey0nYyuQqF0GBa29sEI9Xwomazf38KZq/view?usp=sharing>

V. Ad hoc Subcommittee Report

6:25 pm

A. Budget Recommendations

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

The subcommittee met with staff to discuss the Reserve policy and review the final adopted budget. They will meet to clarify their action items for the year and follow-up for any needed clarification.

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

The subcommittee will try meet with staff sometime before December to go over their respective recommendations. Mr. Cruz suggested that Shilo Gorospe from Eide Bailly be included in the meeting. Staff requested from Eide Bailly a contact for a management consultant to be available as a resource. Fund 71 will not be referenced in the 2022 audit report as the requested adjustment had been made.

Mr. Jacobson informed the committee that there is an SMC Business School graduate interested in assisting with research in what the other districts are doing.

Ms. Maniar and Mr. Chin will join the subcommittee.

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

Mr. Kremer updated the committee on the cancelled meetings with the City of Santa Monica to discuss the enforceable obligations. The subcommittee and staff will try a different approach and reach out to a former FOC member to get their thoughts on the presentation.

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

The subcommittee is keeping an eye on the interest rates and will assist if the need arises.

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

Mr. Cruz informed the committee that staff is working with Ed Services to see if there are any new recommendations to be included in the proposed plan. The subcommittee will try to schedule a meeting with Dr. Mora in the coming weeks.

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

The committee discussed the ways that the subcommittee could assist in communicating the District's current events. Mr. Kean suggested inviting the consultants to a future meeting for a presentation of the final framework for Unification. The subcommittee will further discuss the possibility of working on a reporting template for Special Education

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

After reviewing the past applications, the subcommittee decided to open the application process to fill the mid-term vacancy in the FOC. The opening was advertised to the public and applications will be received until November 25, 2022. Staff will work to advertise the opening in the local papers.

VI. Receive and File (Limited Discussion)

6:54 pm

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/1nmWi9hZh2oZ8l20lbJ0XodfUouNcaEJC/view?usp=sharing>

VII. Public Comments None

VIII. Committee Comments

6:25 pm Ms. Maniar asked the subcommittee chairs to define the work that the subcommittee will get done; reach out to staff if have questions or need to schedule meetings in hopes of working at a steady pace throughout the year. She reminded the subcommittee chairs of the upcoming mid-year report.

IX. Next Meeting: December 7, 2022 - Zoom

X. Adjournment: The meeting adjourned at 6:56 p.m.

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.