



## SMMUSD Financial Oversight Committee Meeting Minutes

**Date:** Tuesday, March 21, 2023

**Time:** 6:00 pm to 8:00 pm

**Location:** Board Room, SMMUSD District Administrative Office –  
1717 4<sup>th</sup> Street, Santa Monica, CA 90401

### I. Call to Order

6:11 pm

Committee Members: JW Beekman Ryan Chin  
Dillon Christensen Seth Jacobson  
Michael Kremer Shawn Landres  
Payal Maniar Samantha McQuaid  
Kaya Schwartz, SAMOHI student rep

Staff: Melody Canady Gerardo Cruz  
David Chiang Bonnie Kung

Board Liaison: ~~Jon Kean~~ Alicia Mignano

Absent: Matthew Crawford Alex Farivar  
Michael Rotgin Stacy Rouse  
**Jon Kean**

Public: None

### II. Approval of Agenda

6:12 pm

A motion was made by Mr. Christensen and seconded by Mr. Beekman to approve the meeting agenda.

AYES: Eight (8) (Mr. Beekman, Mr. Chin, Mr. Christensen, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Maniar, Ms. McQuaid)

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

NOES: None (0)

ABSENT: Three (3) (Mr. Crawford, Mr. Farivar, Mr. Rotgin)

ABSTAIN: None (0)

### III. Approval of FOC Meeting Minutes

6:13 pm

A motion was made by Mr. Kremer and seconded by Mr. Chin to approve the February 23, 2023 meeting minutes.

AYES: Eight (8) (Mr. Beekman, Mr. Chin, Mr. Christensen, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Maniar, Ms. McQuaid)

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

NOES: None (0)

ABSENT: Three (3) (Mr. Crawford, Mr. Farivar, Mr. Rotgin)

ABSTAIN: None (0)

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

6:13 pm

##### **A. 2<sup>nd</sup> Interim Budget Report**

Mr. Cruz gave a brief overview of the Second Interim report presented to the Board of Education at the March 15, 2023 meeting. He notified the committee that there will most likely be a 4<sup>th</sup> Budget revision for this year as there were more revenue fluctuations than expected. At the March 15, 2023 meeting, the Board approved the Home to School transportation plan to supplement the \$820K received at the implementation of the LCFF. Staff will share the calculation of the grant received once it receives verification from the audit firm.

Mr. Landres notified the committee of the Supreme Court decision that individuals who settled a case under Individuals with Disabilities Education Act (“IDEA”) still have the legal standing to pursue a civil claim under Americans with Disabilities Act (“ADA”). The committee suggested looking into the District’s reserves and/or insurance policies in preparation for the possible implications to the District. They also suggested looking into the District’s cases settled under IDEA and the possibility of capping the legal fees, as well as the SELPA funds used to address the cases.

Staff answered the committee’s questions regarding Measure GS, the decrease in the stretch grants and Ed Foundation fundraising, and the anticipated enrollment-driven attrition within the budget projection. Mr. Cruz explained that while LACOE had determined that the District no longer needed the Fiscal Stabilization Plan, line 55 was still included in the Multi-Year Projection (“MYP”) to illustrate the conclusion of the plan. The committee discussed their concerns about the projected \$5M deficit in the MYP.

- Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=460242&MID=18662>
- Attachment: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=457825&MID=18662>
- Multi Year Projection (MYP): <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=457829&MID=18662>
- Fiscal Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=457828&MID=18662>
- Standard Account Code Structure (SACS) Report: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=458705&MID=18662>
- Adopted Budget Review Letter from LACE: Second Interim Budget: <https://drive.google.com/file/d/1y7GY2E8sV-6gFTLPC9gBuZwc2EMSineY/view?usp=sharing>

#### **V. Discussion/Action Items**

7:21 pm

##### **A. Proposed 2023-24 Measure R Annual Plan**

Mr. Cruz reviewed the timeline for the Measure R process.

A motion was made by Ms. Maniar and seconded by Mr. Jacobson to recommend the proposed Measure R plan be forwarded to the Board of Education for a public hearing on April 20, 2023.

AYES: Eight (8) (Mr. Beekman, Mr. Chin, Mr. Christensen, Mr. Jacobson, Mr. Kremer, Mr. Landres, Ms. Maniar, Ms. McQuaid)

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

NOES: None (0)

ABSENT: Three (3) (Mr. Crawford, Mr. Farivar, Mr. Rotgin)

ABSTAIN: None (0)

The Measure R annual plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR-AnnualPlan2324.pdf>

## **VI. Ad hoc Subcommittee Report**

7:24 pm

### **A. Budget Recommendations**

Ms. McQuaid will be joining both the General and Unfunded Liabilities budget subcommittees.

#### **i. General: *Mr. Beekman, Mr. Jacobson, Mr. Chin, Mr. Christensen, Ms. McQuaid***

Mr. Beekman reported that the subcommittee met with staff to review the Second Interim report. The committee discussed LACOE's determination that the Fiscal Stabilization Plan is no longer needed for the District. Staff will further inquire if any additional steps are needed for LACOE's confirmation.

Ms. Canady had presented to the Board the recommendation to adopt a policy of keeping a reserve of up to twenty-eight (28) percent, which is the District's current practice. The Board is still in discussion of the language of the reserve policy. Ms. Mignano commented that the Board will need to take the other stakeholders into consideration before adopting the policy. The committee discussed the FOC's role to highlight financial concerns to the Board and the possibility of making a recommendation to the Board regarding the reserve policy.

#### **ii. Unfunded Liabilities: *Mr. Jacobson, Mr. Kremer, Mr. Rotgin, Mr. Chin, Ms. McQuaid***

Mr. Jacobson reported that the subcommittee met with staff to discuss Fund 71. The subcommittee will meet to assign tasks in researching similar districts and providing some peer-to-peer analysis. The committee discussed the auditors' recommendation to move the \$9M in Fund 71 to the CERBT irrevocable trust to comparison the information received that the balance may be kept in Fund 71.

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

There was no report.

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

Ms. Canady recommended that the subcommittee meet with John Baracy and Jon Isom for updates on the bond issuance.

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

There was no report.

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

The committee discussed the possible areas in which the subcommittee could be of assistance to the Board in financial communications. Ms. Mignano stated that their assistance could have been helpful in preparation for the previous discussion regarding the Reserve policy but that she did not see a need at this time.

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

A press release regarding the FOC vacancy was sent out on March 20, 2023. The standard process for FOC recommendations will be followed. Three of the four incumbents have responded with their intent to seek reappointment to the committee.

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

**VIII. Public Comments**                      None

**IX. Committee Comments**                      None

**X. Next Meeting:**                      Tuesday, May 23, 2023

**XI. Adjournment:**                      The meeting adjourned at 8:00 p.m.