



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Tuesday, May 21, 2024

Time: 6:00 pm to 8:00 pm

Location: Board Room, SMMUSD District Administrative Office –
1717 4th Street, Santa Monica, CA 90401

FOC Vice Chair Michael Kremer attended the meeting remotely from the
following address: 30 Primrose Lane, East Amherst, NY 14051

Zoom Link Meeting ID: 830 3289 3036

I. Call to Order - 6:05 pm

6:05 pm

Committee Members: Ryan Chin (*left @ 8:31pm*)
Dillon Christensen
Alex Farivar
Michael Kremer
Atul Porwal

Matthew Crawford
Seth Jacobson (*left @ 8:05pm*)
Payal Maniar
Michael Rotgin

Staff: Melody Canady
Dr. Antonio Shelton

Gerardo Cruz
Kimberley Curry Blue

Board Liaison: Jon Kean (*left @ 7:45pm*)
Stacy Rouse (*left @ 7:45pm*)

Alicia Mignano

Absent: JW Beekman
Jonathan Wong

Public: Darren Lathrop, CalPERS – CERBT
Jon Isom, Isom Advisors – District Bond Advisor
John Baracy, Raymond James – District Underwriter
David Soldani, AALRR – Partner
Shin Green, Eastshore Consulting LLC - Principal

II. Approval of Agenda

6:07 pm

A motion was made by Payal Maniar and seconded by Atul Porwal to approve the meeting agenda with moving Item VI to D.

AYES: Nine (9) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Jacobson)

NOES: None (0)

ABSENT: One (2) Mr. Beekman, Mr. Wong

ABSTAIN: None (0)

III. Approval of FOC Meeting Minutes

6:10 pm

A motion was made by Ryan Chin and seconded by Payal Maniar to approve the February 22, 2024 & March 19, 2024, meeting minutes.

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

NOES: None (0)

ABSENT: One (1) Mr. Beekman, Mr. Wong

ABSTAIN: One (1) Mr. Jacobson,

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

6:12 pm

A. No report

V. Ad hoc Subcommittee Report

6:13 pm

- A. General Budget Recommendations – No report
- B. Unfunded Liabilities Budget Recommendations – Report sent to Carlos for review. Findings should be ready in 3-4 weeks. The committee is anticipating they will have the report ready by the June meeting.
- C. Bond Oversight – No report
- D. Measure R Reporting and Process Review – No report
- E. Financial Communication and Reporting – Committee met with board liaisons. Prepared to assist. Mr. Crawford advised they are waiting before information is presented to the subcommittee. Gail Pinsker has written a press release. Ms. Maniar requested a conversation with the committee. Mr. Porwal requested the topic be scheduled for discussion.
- F. Nominations – Subcommittee had interviews on 5/15/24 and have recommended FOC candidate Brittney Teague.

PPT: https://drive.google.com/file/d/1fy5ClbOUKKGnGJ-wzZRGlhohvVBHbu/view?usp=drive_link

Report:

https://docs.google.com/document/d/1I9pFTgE0O7wlsIslFhU2fh5W1jzzna6P/edit?usp=drive_link&ouid=109477188438738052068&rtpof=true&sd=true

A motion was made by Payal Maniar and seconded by Michael Rotgin to recommend candidate Brittney Teague as a new FOC member for board approval.

AYES: Nine (9) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Jacobson)

NOES: None (0)

ABSENT: One (2) Mr. Beekman, Mr. Wong

ABSTAIN: None (0)

VI. Discussion/Action Items

7:45 pm

- A. Pre-Engagement and MSRB G17 Related Disclosures – SMMUSD General Obligation Bonds of SFID #2 (Malibu Schools) Election of 2018, Series C (**15 min**)
https://docs.google.com/presentation/d/1TFDkyrjkR5tC8pdrdqzv8IKh2sMEKd_/edit?usp=sharing&ouid=109477188438738052068&rtpof=true&sd=true

John Baracy and Jon Isom presented the option of selling the General Obligation, Measure M Bonds. While the FOC already supported the Accelerated Structure with a final maturity of 2043

and maximum tax rate of \$30/\$100,000 of AV, the Bond Sub reiterates its support for this structure.

Regarding the optional redemption provision, speaking on behalf of the full FOC, the Bond Sub supports both the 10-year and 8-year par call dates. The 8-year call generates more option value relative to the 10-year call but comes at a higher interest cost at least through the 8-year call date. The FOC will defer to the SMMUSD Board or its delegated representatives to choose the call provision because of the cost implications for Malibu taxpayers.

Tax and tax-exempt bonds are eligible for tender. \$250,000 - \$300,00 eligible for tax exemption. District in discussions with Los Angeles County to move forward with bond sale. Timeline for approval is by July 18, 2024, board meeting. Will be added to the 6/6/2024 or 6/27/2024 meeting for board approval.

FOC committee collectively authorized the sale of Measure M Bonds.

A motion was made by Matthew Crawford and seconded by Payal Maniar to recommend authorized the sale of Measure M Bonds with the structure presented.

AYES: Nine (9) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Jacobson)

NOES: None (0)

ABSENT: One (2) Mr. Beekman, Mr. Wong

ABSTAIN: None (0)

8:28 pm

B. 2024-25 Measure R Annual Plan – Review Public Hearing Findings & Recommendation to Board of Education (**5 min**)

https://drive.google.com/file/d/1HUOzPUtwkSaB2e7hLz7zL_Uq6zwUwaLM/view?usp=sharing

2024-24 Measure R Annual Plan was presented in Public Hearing. No public comments were made. The Annual Plan was brought back to the FOC for authorization to move forward as presented to the Board for approval.

A motion was made by Matthew Crawford and seconded by Payal Maniar to authorize the presentation of Measure R Annual Plan to the Board for approval.

AYES: Nine (9) (Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Farivar, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Jacobson)

NOES: None (0)

ABSENT: One (2) Mr. Beekman, Mr. Wong

ABSTAIN: None (0)

8:30 pm

C. 2023-24 3rd Budget Revision (**20 min**)

Presentation: https://drive.google.com/file/d/1wa2j0Z3u_hLuKlFAo0qVCZaig7GSTWs/view?usp=sharing

Attachment: https://drive.google.com/file/d/1tJdJLqtUX83vYHDMJzxeZX83YON_wYQT/view?usp=sharing

Multi-Year Projection: <https://drive.google.com/file/d/1rI4Zrv4vVQCpanaJXYbJwkfW12F2-3-m/view?usp=sharing>

Second Interim Budget Review Letter from LACOE:

<https://drive.google.com/file/d/1JfdMgMfF0n7BbQZ7ghgUwAz4A4VP2SZq/view?usp=sharing>

2023-24 3rd Budge Revision presented by Gerardo Cruz with limited discussion. The Hilton lease revenue increase was higher than projected by \$200,000. Expenditure saw an uptick due to overtime by Classified employees working to fill vacancy need. This is expected to reduce as positions are filled. Utilities being reviewed by Austin Toyama due to marked increase.

\$10,000,000 reserve was applied toward ratification for an increase in salaries. Presenting at the 6/6/2024 board meeting. Approximately 64 employees (certificated and classified) will take the SERP retirement offering on 6/30/2024.

AB1200 review was conducted and completed on 5/21/2024.

- 6:10 pm D. SMMUSD/Malibu Unification Proposed Revenue Sharing Agreement Presentation (*85 min*)
English: <https://drive.google.com/file/d/1RR0IiunZVvEPOUFcPyA7k62W3Z0ESvuV/view?usp=sharing>
Spanish: https://drive.google.com/file/d/1Yd3URMKtSue48_H_Dv2ztHYXnCBtzFm/view?usp=sharing

SMMUSD/Malibu Unification Proposed Revenue Sharing Agreement was presented by David Soldani of AALRR and Shin Green of East Shore Consulting. Shin Green reviewed the attached presentation, providing information on the status of agreement, as well as breakdowns of how the split percentages were determined.

Mike Rotgin expressed concern about the terms of the agreement. Matt Crawford questioned whether unaudited actuals were being used? Shin Green informed the audited actuals arrived too late to be used.

Payal Maniar made a request to review the agreement and made an additional request to Board Liaisons that a Unification Ad hoc committee by agreement. Liaison Jon Kean advised he would bring it to discussion in closed session before the next board meeting and will provide an answer at the next meeting FOC meeting. Jon Kean advised board members to be presented at a separate meeting.

VII. Receive and File (*Limited Discussion*)

- A. CERBT Account Update Summary as of March 31, 2024

<https://drive.google.com/file/d/1bUP66ZjA4rrOI0JKJ6EyfSQNfFyrN-T4/view?usp=sharing>

VIII. Committee Comments None

IX. Next Meeting:

- Thursday, June 13, 2024
- TBD (July/Aug 2024) * Please note: This is a Joint Meeting / Study Session with the Board of Education – *SMMUSD Office Board Room, 1717 4th Street.*

X. Adjournment: The meeting adjourned at 8:45 p.m.