



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_LAzQAoagii035OikQh6gjrOluMjCRuO/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. Farviar, 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/1nmWi9hZh2oZ8120IbJ0XodfUouNcaEJC/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.