



SMMUSD Financial Oversight Committee Minutes

Date: Thursday, June 21, 2018

Time: 7:00 pm to 9:00 pm

Location: Testing Room, SMMUSD Admin Offices
1651 16th Street, Santa Monica, CA 90404

I. Call to Order

7:05 pm

Committee Members: Alex Farivar

Michael Kremer

Tom Larmore

Marc Levis-Fitzgerald

Shelly Slaugh Nahass

Seth Jacobson

Shawn Landres arrived @ 7:11pm

Gordon Lee

Debbie Mulvaney

Staff:

Ben Drati

Kim Nguyen

Melody Canady

Absent:

Joan Krenik

Craig Foster

: Laurie Lieberman

Manel Sweetmore

Jon Kean

Public:

None

II. Superintendent Update – Dr. Ben Drati

7:05 pm

Dr. Drati provided the committee with comparison findings between district schools and a typical California school totaling approximately \$8M and \$16M in site/departments programs identified as atypical expenditures. The District is hiring FCMAT to look at cultural aspects of our work and provide recommendations to address situation.

The Superintendent's findings were presented to the Board at their March 20, 2018 special meeting and may be found at:

<http://agendaonline.net/public/Meeting/Attachments/DisplayAttachment.aspx?AttachmentID=265499&IsArchive=1>

III. Approval of Minutes

7:44 pm

A motion was made by Mr. Landres and seconded by Mr. Lee to approve the May 10, 2018 meeting minutes.

AYES: Nine (9) (Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Larmore, Mr. Lee, Mr. Levis-Fitzgerald, Mr. Landres, Ms. Mulvaney, Ms. Slaugh Nahass)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Two (2) (Ms. Krenik, Mr. Sweetmore)

ABSTAIN: None (0)

IV. Staff Report: Assistant Superintendent, Business and Fiscal Services Melody Canady

A. Budget Update

7:46 pm

Ms. Canady provided the committee with 2018-19 Proposed Budget Board item, attachments and presentation that was presented to the Board of Education at their July 19, 2018 special meeting.

The 2018-19 Proposed Budget Agenda, Attachment and Presentation may be found at:

<http://agendaonline.net/public/Meeting.aspx?AgencyID=1305&MeetingID=60910&AgencyTypeID=1&IsArchived=False>

V. Discussion/Action Items

7:39 pm

A. March 12th and May 7th 2019 (Tuesdays) Meeting?

The committee agreed to revise the 2018-19 meeting schedule from Wednesday to Tuesday meeting dates for the month of March and May 2019.

7:41 pm

B. Election of 2018-19 FOC Chair and Vice Chair

A motion was made by Mr. Landres and seconded by Mr. Lee to nominate and elect Ms. Mulvaney and Mr. Jacobson to serve as Chair and Vice Chair respectively.

AYES: Nine (9) (Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Larmore, Mr. Lee, Mr. Levis-Fitzgerald, Mr. Landres, Ms. Mulvaney, Ms. Slaugh Nahass)

STUDENT ADVISORY VOTE: None (0)

NOES: None (0)

ABSENT: Two (2) (Ms. Krenik, Mr. Sweetmore)

ABSTAIN: None (0)

7:43 pm

C. FOC annual report to Board of Education July 19, 2018 joint meeting

The committee discussed each subcommittee report. Ms. Mulvaney provided the structure of the report format. Ms. Mulvaney will provide an introduction and then each Subcommittee Chair will present their respective report at the July 19, 2018 joint meeting with the Board of Education.

8:31 pm

D. Suggestions for Board mandates for 2018-19 Year

The committee discussed potential charges for 2018-19 school year. Ms. Canady suggested revenue enhancement in food services and special education as well as evaluating in-house counsel in lieu of hiring outside counsel as independent contractors. It was determined that that current year charges and potential charges will be discussed with the Board Liaisons.

VI. Ad Hoc Subcommittee Update

- 8:37 pm A. Sustainability: *Mr. Jacobson (Chair), Mr. Levis-Fitzgerald, Ms. Slaugh Nahass*

Mr. Jacobson provided the committee with a draft sustainability subcommittee report to be incorporated into the full FOC report. There are several recommendations to engage the involvement of s policy and the consultant wants the FOC subcommittee in on that issue. It is expected to be presented at the July 19th meeting.

- 8:42 pm B. District Budget: *Ms. Krenik (Chair), Mr. Farivar, Mr. Lee, Mr. Sweetmore*

Mr. Farivar reported that the subcommittee is looking at five (5) other high schools of particular areas similar to the presentation made by Dr. Drati. The subcommittee contacted Foothill High in Orange County, Atherton, Palo Alto, and Menlo-San Mateo. The subcommittee plans to explain the progress up to date but it is anticipated that there would be no recommendations.

- 8:46 pm C. Health Benefits: *Mr. Kremer (Chair), Mr. Landres, Mr. Larmore, Ms. Mulvaney*

Mr. Kremer presented the committee with a draft presentation regarding the health benefits subcommittee's work and findings. Members suggested a few changes to the PowerPoint presentation be made prior to the joint meeting with the Board.

The Health Benefits subcommittee's presentation in its final form may be found at:
<http://agendaonline.net/public/Meeting/Attachments/DisplayAttachment.aspx?AttachmentID=855721&IsArchive=0>

- 9:08 pm D. Bond Oversight: *Mr. Lee (Chair), Mr. Larmore, Ms. Mulvaney*

Mr. Lee reported that the bond subcommittee met with the District's financing team to include Isom Advisors, Jones and Hall, RBC Capital and Raymond James, Inc. The subcommittee and Board Liaisons Kean and Lieberman discussed the issuance of \$120M. The subcommittee was provided with a handout to include the bond term sheet and preliminary financing schedule. Isom advisors, Ms. Canady, Dr. Drati and Mr. Kean were scheduled to attend two bond rating meetings in San Francisco. The District's current rating is AA. Hopefully, the rating will be upgraded to AA+.

Ms. Canady's handouts may be found at the end of these minutes.

VII. Receive and File (Limited Discussion) None

VIII. Public / Committee Comments

IX. Next Meeting: Thursday, July 19, 2018 *Joint Meeting/Study Session

X. Adjournment: The meeting adjourned at 9:15 p.m.