



## SMMUSD Financial Oversight Committee Meeting Minutes

**Date:** Wednesday, February 12, 2025

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

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

**Zoom Meeting ID:** 830 3289 3036

### I. Call to Order : 6:08 pm

6:11 pm

Committee Members: Brittany Teague (*via Zoom*)  
Dillon Christensen  
Payal Maniar  
Michael Kremer  
Atul Porwal (*via Zoom*)

Ryan Chin  
Alex Farivar  
Michael Rotgin  
Seth Jacobson (*late 6:25p*)

Staff: Melody Canady  
Kimberley Curry Blue  
Steve Massetti (*via Zoom*)

Gerardo Cruz  
Carey Upton (*via Zoom*)

Board Liaison: Jon Kean  
Stacy Rouse (*absent*)

Alicia Mignano (*absent*)

Absent: Matthew Crawford  
Jonathan Wong

### II. Approval of Agenda

6:09 pm

A motion was made by Ms. Maniar and seconded by Mr. Chin to approve the meeting agenda with an approval FOC Members Atul Porwal and Brittany Teague to join via Zoom due to a caretaker request (Mr. Porwal) and weather and road conditions (Ms. Teague).

AYES: Six (6) - Mr. Chin, Mr. Christensen, Mr. Kremer, Ms. Maniar, Mr. Rotgin, Mr. Farivar  
NOES: None (0)

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

ABSTAIN/NO VOTE: Two (2) Mr. Porwal, Ms. Teague

### III. Approval of FOC Meeting Minutes – June 10, 2024 & January 21, 2025

6:10 pm

A motion was made by Ms. Maniar and seconded by Mr. Kremer to accept the minutes from the **June 10, 2024**, meeting with discussed amendments. *Linked minutes below:*

6/10/2024: [https://drive.google.com/file/d/1ShuupWSA2MCuUT6Ze8rf6Y4IAhlq6\\_ux/view?usp=sharing](https://drive.google.com/file/d/1ShuupWSA2MCuUT6Ze8rf6Y4IAhlq6_ux/view?usp=sharing)

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

NOES: None (0)

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

ABSTAIN: None (0)

A motion was made by Mr. Chin and seconded by Mr. Kremer to accept and approve the minutes from the **1/21/2025** meeting with the amendments discussed. *Linked minutes below:*

**1/21/2025:** <https://drive.google.com/file/d/1V5uNcZTbAAOwN7FoVN1TdkeuWkTos2a2/view?usp=sharing>

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

NOES: None (0)

ABSENT: One (1) Ms. Teague

ABSTAIN: Two (2) Mr. Porwal, Mr. Wong

A motion was made by Michael Rotgin and seconded by Jonathan Wong to accept and approve the minutes from the **10/22/2024** meeting with the discussed amendments. *Linked minutes below:*

**10/22/2024:** [https://drive.google.com/file/d/16hD1gB7dL2lNfYmztRXG\\_yNVC00Lkbrl/view?usp=sharing](https://drive.google.com/file/d/16hD1gB7dL2lNfYmztRXG_yNVC00Lkbrl/view?usp=sharing)

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

NOES: None (0)

ABSENT: One (1) Ms. Teague

ABSTAIN: One (1) Mr. Porwal

A motion was made by Michael Rotgin and seconded by Payal Maniar to accept and approve the minutes from the **12/3/2024** meetings with the amendments as provided. *Linked minutes below:*

**12/3/2024:** <https://drive.google.com/file/d/19przGFS4v0yePAzXLVhw3TchWhrv48XZ/view?usp=sharing>

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

NOES: None (0)

ABSENT: One (1) Ms. Teague

ABSTAIN: None (0)

#### **IV. Assistant Superintendent, Business and Fiscal Report – Melody Canady**

6:26 pm Forfeited time to permit review of outstanding minutes.

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

6:27 pm A. Measure QS Bond Issuance Report, *John Baracy, Jon Isom - Isom Advisors & Robert Baird & Co. Incorporated*

<https://drive.google.com/file/d/1v9iChvIn100e4FBykdxKpsmR-x7MrCFU/view?usp=sharing>

Minutes:

Presented by Jon Isom regarding issuance of General Obligation Bond – Measure QS. Total amount over next 3 years: \$495,000,000, with \$200,000,000 spent in 2025. Forecast for \$194,000,000 over next 18 months. All requirements met to facilitate guidelines to sell bonds. The financing team’s recommendation is to make an 8-year call based on the preliminary financing statistics. Sale scheduled by the end of March, for an April closing.

Isom predicts a major/significant increase to construction costs moving forward as an impact of the most recent fires. By moving forward to lock in the funds, SMMUSD is at an advantage due to having facility improvements, benefiting SMMUSD stakeholders. Governor Newsom issued a waiver on late penalties for taxes in zip codes 90402, 90265, 90260. The District is looking for confirmation that there will not be any default on outstanding GO Bonds in the event of “worse case” scenario with tax collections. Bond program will be structured accordingly. If all options are not viable, the District may be able to use short-term notes to cover debt service shortfall payments.

Take Aways:

1. Will there be any risk analysis based on damaged properties not being rebuilt? County may have to raise the rates as long as there is adequate time to make adjustment. Jon Isom will have clarity prior to bond sales. (Example: Property may be placed on Prop 8 roll versus Prop 13 roll, which could lower the tax rates based on the current value. The property would return to Prop 13 rates after one (1) year).
2. What is the timeline for the Malibu bond (MM) issuance? Per staff, District is approximately one (1) year out before there is a need to have a conversation on this bond.

FOC Chairperson Mr. Kremer advised the Bond Subcommittee met with the team on 1/31/25 and per the summary in the mid-year report, recommends the District move forward with the issuance.

A motion was made by Mr. Kremer with a second by Ms. Maniar to make the recommendation to the Board to move forward with 8-year call of Series A of the Measure QS bond sale.

AYES: Nine (9) - Mr. Chin, Mr. Christensen, Mr. Kremer, Ms. Maniar, Mr. Rotgin, Mr. Farivar, Mr. Porwal, Ms. Teague, Mr. Jacobsen

NOES: None (0)

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

ABSTAIN/NO VOTE: None (0)

6:55 pm B. FOC mid-year progress report to the Board – **Michael Kremer – FOC Chairperson**  
[https://drive.google.com/file/d/1Y0WktmyzTGRobUsc-AEqCmM\\_VZ4woPMu/view?usp=sharing](https://drive.google.com/file/d/1Y0WktmyzTGRobUsc-AEqCmM_VZ4woPMu/view?usp=sharing)

Minutes

Mr. Kremer reviewed the draft Mid-Year Report, suggesting the report to the Board on the February 20, 2025, meeting. Discussion includes Board Liaison Kean suggesting the FOC provide an email with feedback on their reserve policy recommendation to the Board. Mr. Kean advised what was presented to the Board was “up to 2 months”. Mr. Kean countered with a floor of 15%, up to 2 months level. Additional conversations regarding reserves between staff and CTA are ongoing. Mr. Chin offered to update the FOC recommendation if needed. Staff advised the reserve policy to be presented at the February 27, 2025, Special Meeting, as a discussion item.

A motion was made to approve the mid-year report to submit to the Board with the changes discussed by Ms. Maniar with a second by Mr. Rotgin.

AYES: Nine (9) - Mr. Chin, Mr. Christensen, Mr. Kremer, Ms. Maniar, Mr. Rotgin, Mr. Farivar, Mr. Porwal, Ms. Teague, Mr. Jacobsen

NOES: None (0)

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

ABSTAIN/NO VOTE: None (0)

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

7:58 pm

### **A. Budget Recommendations –**

i. General: *Mr. Chin (Chair), Mr. Christensen, Mr. Jacobson, Mr. Porwal, Ms. Teague.* Ryan Chin – No Report.

ii. Unfunded Liabilities: *Mr. Rotgin (Chair), Mr. Kremer, Ms. Maniar, Mr. Jacobson, Mr. Wong.* Michael Rotgin reported that the subcommittee is still waiting for Carlos to provide data. Nothing has been received to date. Mr. Rotgin to schedule and appoint with staff and Carlos to clarify scope of work and obtain information still outstanding data previously requested.

### **B. Bond Oversight – *Mr. Kremer (Chair), Mr. Chin, Mr. Crawford, Mr. Farivar, Mr. Rotgin,*** Michael Kremer – No separate / additional report.

### **C. Measure R Reporting and Process Review – *Mr. Farivar (Chair), Mr. Christensen, Mr. Crawford, Mr. Wong***

Alex Farivar reported on the subcommittee and staff meeting for preliminary Measure R changes. Follow up to be presented with the final list at the next FOC meeting. Plans to bring draft report to the statutory March deadline. Staff verified item is on track to meet subsequent deadlines and final reporting timelines.

### **D. Financial Communication and Reporting –**

*Mr. Porwal (Chair), Mr. Kremer, Ms. Maniar, Mr. Jacobson, Mr. Rotgin,*

Atul Porwal - No report presented. No active projects. Mr. Jacobson made a suggestion the Subcommittee incorporates providing financial information and impacts to the district to share to the community at large and requested that this information be incorporated into the District’s communication strategy; possibly including with the 3<sup>rd</sup> Interim budget reporting.

### **E. Nominations- *Mr. Wong (Chair), Mr. Chin, Mr. Jacobson, Ms. Teague***

Jonathan Wong was not in attendance. Applications are live. Staff advised applications received have been forwarded to Chair for review. No formal updates by other subcommittee members.

- F. Malibu Unification – *Ms. Maniar (Chair), Mr. Kremer, Mr. Christensen, Mr. Crawford, Mr. Rotgin.*

Payal Maniar reported the subcommittee is reviewing an older spreadsheet for data on the unification. Unification group committed to sharing the latest model by 2/21. Will present information thereafter. Mr. Kremer added the effects to the base year and enrollment should be considered in light of the recent fires.

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

- A. OPEB Quarterly Earnings Report as of December

[https://drive.google.com/file/d/1eP2YSphHcevDG90M0\\_Jaw776vs4O7Gln/view?usp=sharing](https://drive.google.com/file/d/1eP2YSphHcevDG90M0_Jaw776vs4O7Gln/view?usp=sharing)

- B. May 21, 2024, FOC Meeting Minutes - amended and approved.

<https://drive.google.com/file/d/1qD08sVN5PQUmKUbnsl2ZjE0U0abpQCqg/view?usp=sharing>

**VIII. Public Comments**                      None

**IX. Committee Comments**

- Emailed letter from Retired SMMUSD Board Member – Craig Foster

[https://drive.google.com/file/d/1Hy0dJFcoU18XgZM\\_LWw4zv0vsuEgoHAR/view?usp=sharing](https://drive.google.com/file/d/1Hy0dJFcoU18XgZM_LWw4zv0vsuEgoHAR/view?usp=sharing)

**X. Next Meeting:**

- Wednesday, March 18, 2025 – ~~Malibu (pending)~~ (*moved future meetings to District office Board Room for remainder of the year*)
- Wednesday, April 2, 2025\*\*
- Wednesday, May 7, 2025
- Tuesday, June 17, 2025
- TBD (July/Aug 2024) \* Please note: This is a Joint Meeting / Study Session with the Board of Education – *SMMUSD Office Board Room, 1717 4<sup>th</sup> Street.*

*\*\* April 2, 2025, meeting is a placeholder meeting. It has been added for calendaring purposes. The meeting is subject to cancellation if it is deemed necessary.*

**XI. Adjournment:**                      The meeting adjourned at 7:40 pm