



## **SMMUSD Financial Oversight Committee Minutes**

**Date: Wednesday, March 7, 2018**

**Time: 7:00 pm to 9:00 pm**

**Location: Malibu City Hall - Zuma Room**

**23825 Stuart Ranch Rd, Malibu, CA 90265**

### **I. Call to Order**

7:00 pm

Committee Members: Seth Jacobson                      Michael Kremer  
Joan Krenik    Gordon Lee  
Debbie Mulvaney    Shelly Slaugh Nahass  
Manel Sweetmore arrived @ 7:18 p.m.  
Patrick Schmelzer (SAMOHI) arrived @ 7:30 p.m.

Staff:                      Melody Canady                      Ben Drati departed 8:02 p.m.  
Gerardo Cruz    Kim Nguyen

Board Liaisons:                      Craig Foster                      Jon Kean

Absent:                      Alex Farivar                      Shawn Landres  
Tom Larmore    Marc Levis-Fitzgerald  
Laurie Lieberman

Public:                      None

### **II. Approval of Minutes**

7:00 pm

A motion was made by Mr. Lee and seconded by Mr. Kremer to approve the February 7, 2018 meeting minutes as amended.

Under Section III (A), Budget Update, "Budget revisions will be presented to the Board at the February 15, 2018 Board of Education meeting, 2<sup>nd</sup> Interim Report at the March 15, 2018 meeting and Board Budget workshop on March 20, 2018."

AYES: Six (6) (Mr. Jacobson, Mr. Kremer, Ms. Krenik, Mr. Lee, Ms. Mulvaney, Ms. Slaugh Nahass)

STUDENT ADVISORY VOTE: One (1) Mr. Schmelzer

NOES: None (0)

ABSENT: Five (5) (Mr. Farivar, Mr. Landres, Mr. Larmore, Mr. Levis-Fitzgerald, Mr. Sweetmore)

ABSTAIN: None (0)

### **III. Superintendent Update: Dr. Ben Drati**

7:01 pm Dr. Drati provided the committee with an update of the District's budget status, current work by Staff, next steps in the budget development process, and the formation of a feasibility committee to evaluate a potential new bond measure in 2018. The committee discussed the process and procedure for how staff will evaluate potential recommendations. The intention is to consider putting a measure on the ballot for additional voter approved bonds. The new bond may be two separate measures, reflecting each community. Ms. Canady informed the committee that Isom Advisors and Jones Hall has been hired as the district's bond financial advisor and bond counsel. TWBH is the campaign coordinator and GSSR is polling. The committee is considering \$500 - \$600M in Santa Monica and approximately \$200M in Malibu.

### **IV. Discussion/Action Items**

#### **8:10 pm A. Measure R Plan**

The committee reviewed the Measure R plan that requires posting for public review, public hearing at a Board meeting and review by the FOC. The Measure R plan may be found at <http://www.smmusd.org/fiscal/pdf/FNS-MeasureRAnnualPlan1819.pdf>.

A motion was made by Mr. Jacobson and seconded by Ms. Slaugh Nahass that the Board of Education accept and adopt the Measure R annual plan.

AYES: Seven (7) (Mr. Jacobson, Mr. Kremer, Ms. Krenik, Mr. Lee, Ms. Mulvaney, Ms. Slaugh Nahass, Mr. Sweetmore)

STUDENT ADVISORY VOTE: One (1) Mr. Schmelzer

NOES: None (0)

ABSENT: Four (4) (Mr. Farivar, Mr. Landres, Mr. Larmore, Mr. Levis-Fitzgerald)

ABSTAIN: None (0)

#### **8:15 pm B. Measure R audit report**

Mr. Cruz reported that the auditors provided an official opinion that the schedule of revenues and expenditures presents fairly. In comparison to the prior year report, it was unmodified. There were no findings in the Measure R audit report. The report may be found at: <http://www.smmusd.org/fiscal/BudgetDocs/MeasureRAuditReport1617.pdf>

A motion was made by Mr. Sweetmore and seconded by Ms. Krenik that the Board of Education accepts the 2016-17 Measure R audit report at their March 15, 2018 board meeting.

AYES: Seven (7) (Mr. Jacobson, Mr. Kremer, Ms. Krenik, Mr. Larmore, Mr. Lee, Ms. Mulvaney, Ms. Slaugh Nahass)

STUDENT ADVISORY VOTE: One (1) Mr. Schmelzer

NOES: None (0)

ABSENT: Four (4) (Mr. Farivar, Mr. Landres, Mr. Levis-Fitzgerald, Mr. Sweetmore)

ABSTAIN: None (0)

8:24 pm

C. 2018-19 meeting dates and location

The committee set the following meeting schedule for 2018-19:

- Wednesday, September 12, 2018
- Wednesday, October 10, 2018
- Wednesday, November 7, 2018
- Wednesday, December 5, 2018
- Wednesday, January 23, 2019
- Wednesday, February 13, 2019
- Wednesday, March 13, 2019
- Wednesday, May 8, 2019
- Wednesday, June 12, 2019
- TBD - July 2019 \*Joint Meeting Study Session with the Board of Education

Meeting dates that will be held in Malibu will be determined at a future FOC meeting.

8:26 pm

D. Nominating Subcommittee Report and Possible Action

Ms. Slauch Nahass will reach out to the members whose terms are expiring to determine whether they wish to continue to serve on the FOC.

**V. Ad Hoc Subcommittee Update**

8:28 pm

A. Sustainability: *Mr. Jacobson (Chair), Mr. Levis-Fitzgerald, Ms. Slauch Nahass*

Mr. Jacobson reported that the subcommittee met with the new sustainability consultants. The new recycling and trash bins have been installed. There is a lot of overview of what has been done. Currently, there is a lot of data gathering and reviewing water audits. SAMOHI Student Presentation: Waste & Waste Sorting Plan is scheduled for Wednesday, April 25<sup>th</sup> at 9:00 a.m. in the Facilities Improvement Projects (FIP) Conference Room.

8:41 pm

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

Ms. Canady suggested that the committee look at the following subcommittee charges:

1. High school structure of other districts and their education programs;
2. Other district's special education and programs relative to SMMUSD's size, FTEs and local general fund contribution; and,
  - There could be ways to generate revenue from special education through farming/renting out extra capacity.
  - Mr. Kean suggested to look at the swings of litigation and IEP process.
3. How other districts handle legal and law firms through in-house or outside counsel.

The district budget subcommittee will determine their capacity for the additional subcommittee charges or if new subcommittees should be established.

8:53 pm

**C. Health Benefits:**

The subcommittee met with district staff and it was learned that health benefits are codified in the labor agreements. The district is not able to make changes without a meet and confer. The subcommittee will look at comparable districts and make suggestions for the next negotiation. The CalPERS offerings of benefits and district contribution is currently tied to a certain HMO plan and premiums have changed over the years. A flat dollar contribution to the employee per month with a cap similar to Beverly Hills USD and El Segundo USD may be an option. The subcommittee is waiting on additional data to include number of employees' pre/post July 2014 and full time vs. part time.

8:59 pm

**D. Bond Oversight: *Mr. Lee (Chair), Ms. Mulvaney***

There was no report.

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

**VII. Public / Committee Comments**

**VIII. Next Meeting:** Wednesday, April 18, 2018

**IX. Adjournment:** The meeting adjourned at 8:59 p.m.