SMMUSD Financial Oversight Committee Meeting Minutes
Special Meeting
Date: Tuesday, April 22, 2025
Time: 6:00 pm to 8:00 pm
Location: Board Room, SMMUSD District Administrative Offices
1717 4th Street, Santa Monica, CA 90401

I. Call to Order : 6:08 pm

6:08 pm

Committee Members: Ryan Chin, Dillon Christensen, Matthew Crawford, Seth Jacobson, Michael Kremer, Payal Maniar, Atul Porwal, Michael Rotgin, Jonathan Wong

Staff: Melody Canady, Kimberley Curry Blue, Gerardo Cruz *(via Zoom)*

Board Liaison: Jon Kean (*via Zoom)*, Stacy Rouse, Alicia Mignano *(via Zoom)*

Absent: Alex Farivar

II. Approval of Agenda

6:09 pm

A motion was made by Mr. Wong and seconded by Ms. Maniar to approve the meeting agenda for the April 22, 2025, Special Meeting.

AYES: Nine (9) - Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Wong
NOES: None (0)
ABSENT: One (1), Mr. Farivar
ABSTAIN/NO VOTE: None (0)

III. Assistant Superintendent, Business and Fiscal Report: Melody Canady

No report due to Special Agenda.

IV. Discussion / Action Items

A. Malibu Unification Discussion – *Payal Maniar, FOC Co-Chair, Malibu Unification Chair.*

6:11 pm

https://drive.google.com/file/d/1o3A7siVpCyJTavB_jHrQbLAxv15QEong/view?usp=sharing

Malibu Unification Subcommittee reviewed the model and agreement. (*report linked above*)

Minutes:

Timeline for Unification Subcommittee review:

- September 2024 – 1st draft agreement received and review began. Comments were provided in November 2024. Requested to receive data for model development to review for stress testing.
- Late March 2025 - Committee received requested model data.
- February 2025 – 2nd draft of agreements received. Detail review with comments provided. Models with scenarios received.
- March 2025 - Background data and projections received.

Unification model provided as a Base Case representation. High level observations were related to the revenue sharing agreement. Detailed observations are found in the report appendix and provided to consultants and board liaisons.

Major points listed below are the opinion of the subcommittee; there is a need for collaboration between both sides to review and come to an agreement prior to taking any action. The three (3) major points:

1. Affordability issue on the Malibu side. Negative fund balance reflecting in five (5) of six (6) years post separation, posing a risk to MUSD in early years. Collaboration would be needed for continual updates as needed to the agreement language to maintain fiscal stability of MUSD in the early years.
2. Without any unforeseen events being factored into the base case model, significant variance events/threshold triggers are projected within the first 8 of 10 years post separation. Threshold triggers should be re-evaluated based on the latest models.
   *Shin Green acknowledged the thresholds triggers may be too low. Discussion is needed with both sides to ensure MUSD isn't working at a negative fund balance for the initial few years of Unification.
3. Assessed Value (AV) growth projections break at 4%. Subcommittee suggests a more realistic approach for operational planning/budgeting for each district. (Ex. 5.4% for MUSD and 5.2% for SMUSD.)

Additional concerns include enrollment and salary adjustment, not reflected in the model.

Subcommittee does not agree with the approved agreement as in the state presented. Suggests a review of the bullets in the appendix and that the parties should work within the current guidelines to create a workable agreement. Also recommends both sides actually meet to discuss issues outlined and to develop the agreement.

A motion was made by Mr. Jacobson and seconded by Mr. Wong to approve the subcommittee report with the suggested amendments and guidance as outlined, for presentation by Ms. Maniar to the board at the April 23, 2025, board meeting.

AYES: Nine (9) - Mr. Chin, Mr. Christensen, Mr. Crawford, Mr. Jacobson, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Wong
NOES: None (0)
ABSENT: One (1), Mr. Farivar

ABSTAIN/NO VOTE: None (0)
ABSTAIN: None (0)

8:00 pm B. FOC 2025-26 Nominations – *Jonathan Wong, Nominations Committee Chair.*

Minutes:

4 vacancies opening for the 2025-26 FOC. Terms ending for Seth Jacobson, Matt Crawford, Dillon Christensen, and Brittany Teague. Ms. Teague resigned from her position on the FOC, creating an immediate vacancy. Subcommittee met and considered the current members for another term; recommended for full board approval. Received three (3) applications for review. Recommendation is to add candidate Casper Casparian to the FOC to replace Brittany Teague.

Student applications will be discussed at a later date.

A motion was made by Mr. Wong and seconded by Mr. Chin to approve Matthew Crawford, Dillon Christensen, and Seth Jacobson for another term, with the addition of Mr. Casper Casparian to replace Ms. Teague to the 2025-26 FOC.

AYES: Six (6) - Mr. Chin, Mr. Kremer, Ms. Maniar, Mr. Porwal, Mr. Rotgin, Mr. Wong
NOES: None (0)
ABSENT: One (1), Mr. Farivar
ABSTAIN/NO VOTE: None (0)
ABSTAIN: Three (3) Mr. Christensen, Mr. Crawford, Mr. Jacobson,

V. Ad hoc Subcommittee Report

A. Budget Recommendations –
   i. General: *Mr. Chin (Chair), Mr. Christensen, Mr. Jacobson, Mr. Porwal, Ms. Teague*. Ryan Chin – Received updated data on reserve policy from staff. Subcommittee needs time to review for next meeting.
   ii. Unfunded Liabilities: *Mr. Jacobson (Chair), Mr. Kremer, Ms. Maniar, Mr. Rotgin, Mr. Wong.* Seth Jacobson – Subcommittee is meeting next Thursday. Will review data and make recommendations or have a discuss at next FOC meeting.

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*
   Staff reported that the board is scheduled on April 23, 2025, regarding public hearing for Measure R. Due to timelines and Spring break, the meeting must occur to remain in compliance.

D. Financial Communication and Reporting – *Mr. Porwal (Chair), Mr. Kremer, Ms. Maniar, Mr. Jacobson*
   Atul Porwal - No report presented.

E. *Nominations- Mr. Wong (Chair), Mr. Chin, Mr. Jacobson, Ms. Teague*
   Jonathan Wong: Previously discussed. (*see Item IV. B*)

F. Malibu Unification – *Ms. Maniar (Chair), Mr. Kremer, Mr. Christensen, Mr. Crawford, Mr. Rotgin*.
   Previously discussed (*see Item IV A*.)

VI. **Receive and File *(Limited Discussion)*** None

VII. **Public Comments** None

VIII. **Committee Comments** None

IX. **Next Meeting:**

- 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 4th Street.*

Adjournment: The meeting adjourned at 8:12 pm