

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT

Wednesday, March 5, 2008

Minutes

Members Present: Dr. Cynthia Avery, Chris Cate, Eid Fakhouri, Dr. Tim Glover, Stacey LoMedico, Rob McNelis, Jim Montague, Kai Ramer

Alternate present: Karen Fleck was excused

Excused: Gina Jackson, Beth Selbe, Rick Weeks

Attendees Present: Christina Becker, Bill Clark, Dianne El Hajj, Nancy Stasch

Special Guest: Tony Fulton, AF Consultants

- 1) **Call to Order at 6:10** Presented handouts and their placement into ICOC binders.
- 2) **Established a quorum** of 7 members in attendance to begin the meeting.
- 3) **Reviewed Minutes** of February 6, 2008. Kai Ramer motioned to approve, seconded by Chris Cate.
- 4) **No public comments addressed.**
- 5) **ICOC Communications:** Eid Fakhouri asked members if they have received any questions throughout the community. There were no public concerns at this time.
- 6) **Performance Auditor Discussion with Possible Vote:** AF Consultants, Tony Fulton was able to discuss ICOC priorities of the Performance Audit, answer questions, make recommendations, and establish a timeline for his first report. Eid Fakhouri reviewed the comments from the last meeting to remind everyone what were prioritized. Mr. Fulton explained that the performance audit is more of a program review to insure that all the parts and pieces are in place to make sure that the program runs successfully. The 1st priority from the ICOC was Constructability & Value Engineering. He will review the budgets and notes from meetings to see that value engineering is occurring. He will check to be sure that the architects are incorporating any suggestions into their revised plans. He is there to make sure that everything gets done on or under budget. He will look at everything and everyone. Mr. Fulton will be making recommendations on how to get back on track if the budget is off. He will offer suggestions if there is a need to hire more staff. He will recommend improvements if CBOC becomes uninformed. He will develop a policy manual, for example, to make sure everything is the same at the end of the project to help in maintenance. This manual can include district design standards which reflect back to value engineering. He will check to make sure the architect fees are within industry standards. He will look at the last fiscal year and come back in August. He will continue to look at invoices and match to contracts. Questions from the ICOC members were: "Will all these things we listed get done in the 1st year? Mr. Fulton stated that he will work through the priority list and they will fall into the next year. Another question: When is

the Performance Audit due? Christina Becker answered that the data is continually collected and examined and it is not uncommon for the report to come out in December. Mr. Fakhouri wants to get the report out as soon as the School District fiscal year ends. Bill Clark asked Mr. Fulton to look at bids and cash flow projections. Mr. Fulton commented that this will let you know when you would need to sell your next series of bonds, get a serious view on expenditures and earn savings from the bond interest to put back into the program. Mr. Fakhouri asked where he gets his fee schedule comparisons from to establish guidelines and if the ICOC can refer to these statistics? Mr. Fulton looks to other schools, other states, other program history, renovations or new facilities, etc. and the ICOC can use these as references. Mr. Fulton added that the basis of the first report should be to make sure everything is in place and make sure everything functions right. The 2nd year report should include errors & omissions, change order, completions and on-time budgets.

- 7) **March ICOC Newsletter Draft:** Comments were made to improve the newsletter to add additional information for the lay person to understand some of the timelines. They would rather see larger schematics of the building and only one picture of the teaching wall and note that it will be added into every classroom.
- 8) **Budget Reports:** Bill Clark comments on handout and explains true value engineering. How electrical, lighting, plumbing impacts costs. He spoke on the Board policy decision to go with the 10-classroom addition instead of 5-classroom addition because of the better engineered value. He spoke of academic excellence and that the Junior High School staff can collaborate together to help support a broader program for the students. He commented on the \$13 million funding gap created by the 10-classroom addition decision by the Board. Mr. Clark shared how the original goal of \$165 million, which was driven by bond funding along with State modernization funding, developer fee increases, joint-use funding, sale of surplus property, all adds up to about a 40 million short fall. New positive developments include new construction eligibility, State new construction funding, QZAB grants, joint-use library funding, new developments in Santee, makes us only about \$16 million short. This is attainable. He shared that the bid opening at Cajon Park came in at about 10% under budget estimates. We saved \$1 million on our very 1st building. We want to get the next set of bids out early to lock in the prices ahead of the curve. We are hoping to add more savings to lessen the gap. The next handout shows how bridge financing helps out with cash flow. 2010 is our critical year. This is balanced against the bid environment. We can borrow money for less than inflation costs of construction.
- 9) **ICOC Speaking Points, discussion for next School Board Meeting:** Gina asked for comments from the members to present to the Board at the April 1st Board meeting.
 1. That we intend to hire AF Consultants
 2. To make announcements to the public that we have held meeting and joint-meetings, had taxpayer's association presentations, sent out newsletters, and are on the website, and that the public is welcome to attend these meetings.
 3. Take to the Board the ICOC Agendas to let them know what we have been doing.
 4. Let the Board know that we are pleased with the way things are going at this time and are cautiously optimistic.

- 10) **Capital Improvement Program Ground Breaking:** The Ground Breaking is set for April 9 at 9:00 a.m. We recommend to be there by 8:30 a.m. Invitations are being sent out. There will be choirs and bands and equipment at the pile of dirt. Christina Becker would like to get a group photo of the ICOC.
- 11) **Distribution of Board Items:** The handouts of the Board items were in the packet dated February 19 to March 4, 2008. Discussion followed on naming rights and costs in other areas.
- 12) **Comments from Committee Members/Topics for Next Meeting:** Discussion on quorum of 7 seems too large since we had ran a few minutes late getting started because we didn't have 7 members present. We will add this topic to the next agenda to change the quorum to 5 members, especially since we will be going back to quarterly meetings, each meeting counts. Also, add discussion on election of new members.
- 13) **Information Only:** The next Facilities Committee meeting is March 12, 2008.
- 14) **Adjourn** at 8:00 p.m. to next ICOC meeting on April 2, 2008