

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT

Wednesday, March 6, 2013

Minutes

Members Present: Eid Fakhouri, Gina Jackson, Lesha Montoya, Kai Ramer, Beth Selbe, and Rick Weeks

Excused: Janna Schoenborn

Guest: Jim Montague

Attendees Present: Christina Becker, Karl Christensen, Dianne El-Hajj and Nancy Stasch

- 1) **Call to Order at 6:01.** Presented handouts and their placement into ICOC binders. Christina Becker presented Jim Montague with a Certificate of Appreciation and thanked him for his services over the past 6 years.
- 2) **Established a quorum** with 6 members in attendance to begin the meeting.
- 3) **Reviewed Minutes of December 5, 2012.** Kai Ramer motioned to approve the minutes as amended. Seconded by Eid Fakhouri.
- 4) There were no public comments.
- 5) **ICOC Communications: Discussion of any community comments:** Beth asked each member if they had anything to share from the community. Rick Weeks asked about security entrances at the school sites. Christina said that the School Board approved security solutions to enter through gates to the office to check in at Carlton Oaks and Rio Seco, similar to how Hill Creek was modernized recently. Karl mentioned that our District has been involved in a lot of discussion at the Board meetings, and that the Santee Sheriff's office has been involved with the safety issues. Rick wanted to know if parents get emailed or text or phoned when there is a real emergency. Christina said that our District can do an "all call" to parents when needed. Lesha said a lady in our community mentioned that she was very impressed with our modernization. Eid asked if our District has safety meetings. Christina said that the Facilities and the Safety meetings are now combined, and that the Sheriff's office has been proactive and greatly involved in our District's safety concerns. The Sheriff's department has visited all of our sites and given recommendations for improvements. The sites have also increased their lock-down drills.
- 6) **Annual Bond Audit:** Karl said that for the last few years, the annual financial audit has been combined with the performance review. Karl shared the findings with the committee. Karl showed how the balance of the G.O. Bond funds will be depleted after the Pepper Drive 10-classroom addition is completed. He said there are some funds still allocated to Phase 1 for final DSA close-out fees. Karl shared that the auditors found that

all the funds were spent appropriately. Eid asked what the differences are between the 'current interest bonds', and the 'capital appreciation bonds'. Karl said that the current interest bonds have principal and interest paid out each year, and the capital appreciation bonds have the principal and interest payments deferred to future years. Eid mentioned to the committee that Prop 39 states that the ICOC's biggest responsibility is to make sure that the public receives this information and that the ICOC has accepted this audit. The audit is posted on the District's website. The District could also forward the audit to the San Diego County Taxpayer's Association. Motion to accept the annual financial and performance audit was motioned by Kai Ramer, and seconded by Gina. All approved.

- 7) **Assessed Valuations:** Karl Christensen shared a handout to answer the question that was asked at the previous ICOC meeting regarding assessed valuations. Karl contacted the County Assessor's Office and they do not provide projections of future assessed valuations. Proposition 13 is the law governing assessed valuation determinations. An escalator is applied each year but is capped at 2% each year, but other factors are also looked at. For example, change in ownership, construction upgrades to property, such as add-on, etc., proposition 8 adjustments, market values dipping below property values, and homeowners reassessing their properties. There is also a catch up provision to get to a particular benchmark, and appeals that people can request. Over the last 20 years, there has been an average annual change of 7% in assessed valuations in Santee. Our debt service is fixed at issue. The assessed valuation growth used for debt service calculations when Series E was issued to stay within the Prop 39 threshold for tax rate per \$100,000 of AV was 5%. Eid asked where the money would come from if the assessed valuations do not rise. Karl said that the Assessor must levy taxes sufficient to pay the bonds. Eid said he had heard that the rate to use should be the 2% projection analysis. Karl said the District did their modeling based on historical references. Eid said that the 7% growth must have come from development, i.e., new housing. Kai stated he believes the growth will exceed expectations in the long term future.
- 8) **Finance Report:** Karl Christensen shared the Pepper Drive 10-classroom addition budget sheet and how the District is also working towards eventual construction of the LRC/Administration addition at Pepper Drive. He showed how the estimated costs for the 10-classroom addition will be close to the amount of funds available. The original GMP was much higher. The exciting thing to mention is that with this addition, every Santee School will have received substantial benefit from the Prop R funds. If there is remaining contingency after the construction, the District may be able to proceed with the parking lot for the Pepper Drive Phase 2 completion.
- 9) **Annual Report:** The draft annual report was presented and discussed. Revisions will be made and shared via email for final approval in June.

10) **Term Limits & Member Terms/Changes:** The revisions to the term limits were approved by the Board and the final determination was that each member could serve no more than three terms. Jim Montague was termed out because his 1st term was only for one year when lots were drawn at the 1st meeting. All of the other original members will be allowed to complete their third term which will end on June 30, 2014. Moving forward, our ICOC members can serve up to three 3-year terms.

11) **CIP Program Update:**

- **Pepper Drive School 10-Classroom Addition Project:** Construction for the addition of the 10-classroom building at Pepper Drive School was awarded on February 19, 2013, and began on March 4, 2013. The estimated completion date is November 2013. This building is the same as the structure at Hill Creek School, but also has an elevator bridge because it is located in the upper field. Christina was hoping to do the LRC/Administration addition at the same time, but the power system upgrades would have been difficult to accomplish within the short time frame and the expenses for this made the LRC bid too high. By doing the projects separately, the LRC/Admin addition will have a smoother transition and more time to construct.

12) **Comments from Committee Members/Topics for Next Meeting:**

- Final Annual Report Acceptance
- Schedule June ICOC meeting to be held at Pepper Drive School, the last school that has not been modernized, possibly in the teacher's lounge.

13) **Board Actions Since Last Meeting:** Handouts were presented. Christina commented on each item.

14) **Adjourned at 7:25 p.m.** to next regular ICOC meeting, June 5, 2013, 6:00 to 8:00 pm.