

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT

Wednesday, August 6, 2008

Minutes

Members Present: Chris Cate, Eid Fakhouri, Gina Jackson, Rob McNelis, Jim Montague, Rick Weeks

Excused: Stacey LoMedico, Kai Ramer, Beth Selbe

Attendees Present: Christina Becker, Bill Clark, Dr. Lis Johnson, Barbara Ryan, Nancy Stasch

- 1) **Call to Order at 6:05:** Presented handouts and their placement into new ICOC binders.
- 2) **Established a quorum** with 6 members in attendance to begin the meeting at 6:05 p.m.
- 3) **Reviewed Minutes** of June 4, 2008. Gina Jackson motioned to approve, seconded by Jim Montague. Chris Cate abstained. Motion approved.
- 4) **No Public Comments Addressed.**
- 5) **ICOC Communications - Town Hall Meetings' Community Comments:** Bill followed up with what some parents brought up at the town hall meetings. Concerns about campus access and security around campus. They asked if the District could improve security at the entrances to only let people have access with passes. Other comments and questions referred to moving and storage, lighting issues and what the classrooms would look like. Any suggestions how the District can expand their communication to the general public is welcomed.
- 6) **Solar Updates:** Bill Clark referred to the draft solar handouts. He explained how the credits we would receive could reduce the SDG&E bills down to zero. We are in the process of getting feedback from community members, principals and administration on our solar solution being proposed. This item is being shared to the ICOC for information only and is not bond funded.
- 7) **Construction Progress at the Schools:** A slide show was presented to show the progress at the various sites. Everything is going along according to the plan. Bill commented how the District has been very fortunate. Discussion followed as to where everyone would be in September.
Final design plans for 10-classroom additions are going out to bid in the next two weeks. Completion target date is in the Spring.
The packing and moving was accomplished early and helped to get us ahead. The construction crews are doing great because they want to be part of the next construction phase. Rob McNelis asked about the Kindergarten Corner at Cajon Park and if the

relocatables would be permanent. The answer was Yes, because the classes are going to full-day kindergarten.

- 8) **Construction Costs – Latest Budget:** Bill shared that we are within budget and that there had been few problems, nothing that has triggered the District using the contingency reserve. We are out to bid for the 10-classroom addition projects. We hope to get another round of favorable bids due to the continued competitive environment.

Chris Cate asked how much will be required annually to maintain the level at the new sites, preventive maintenance, deferred maintenance and replacement costs. Bill said that the State requires a 5-year maintenance plan. The 5-year plan will be updated to reflect the modernization. There was discussion about long-term costs for replacement of systems in the future.

Christina explained some State funding has been submitted. We have submitted funding for the 5 schools joint-use allocations under construction and are still waiting. Bill passed out a handout reflecting the District's rating of the Bond. With the backdrop of the economic condition, Standards & Poor have increased our rating to an A+, which means a better interest rate.

- 9) **Performance Review Draft Report Status:** The performance review report draft was distributed. Most comments were under the Architect's agreement. We are negotiating how the agreement can be enhanced or improved. Mr. Fulton should be able to come to the September Board meeting to do a presentation. Discussion followed as to how the ICOC will use this for their annual report. The ICOC will come to the September 3rd meeting prepared to address these issues. Eid Fakhouri commented to the members to keep in mind scope of ICOC members and what we legally have to report on. Also, that the ICOC relies on the auditor and administration to give us the financial reports to use to make our annual report. It was noted that AF Consultants reviewed each and every invoice and contract and recalculated everything. Eid wants to encourage the members to review article 13A, Section 1(b)(3), of the California State Constitution which states:

“(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b) (3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing

that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

(c) Notwithstanding any other provisions of law or of this Constitution, school districts, community college districts, and county offices of education may levy a 55 percent vote ad valorem tax pursuant to subdivision (b)."

which explains that we have a very narrow scope. Our role is to communicate to the public. We should be aware of the recommendations. The role of the independent auditor is to certify that all the money has or has not been spent appropriately and report that to the ICOC.

- 10) **Discussion of the components of the ICOC Annual Report:** The modernization/construction spending began in 2007 and includes the fiscal year 2007-2008. There is no definitive reporting period. The annual report must have a letter from the chair, a statement, a report of the committee's activities from the preceding year, communications to the citizens of the performance and financial audits, and to have it available on the website. Other district's annual reports and newsletters were passed around as samples. Ideas suggested were to use color coding for timelines; use a legend at the bottom by school site and Phase 1 and 2 schools; categorize charts with percentages of completion by project. Also, it would be great to show a financial graph. Add photos of before and after. Add the bond rating. Also note in the communication about the competitive bidding/market climate. How we have been on-time and on-budget. Since the financial data will be in December, the fiscal year 2007-08 report/letter will be later in the year.
- 11) **September Newsletter Draft:** Discussion on the newsletter took place. The newsletter committee will review.
- 12) **ICOC Speaking Points at Future Board Meeting:** There were none at this time.
- 13) **Comments from Committee Members/Topics for Next Meeting:** Performance audit. Annual Report. Bus Tour Discussion. Final Newsletter draft.
- 14) **Information Only:** The next Facilities Committees are scheduled for Wednesday, September 24, 2008.
- 15) **Adjourn** at 8:05 p.m. to next ICOC meeting on September 3, 2008.