

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT

Wednesday, June 4, 2008

Minutes

Members Present: Eid Fakhouri, Dr. Tim Glover, Gina Jackson, Stacey LoMedico, Jim Montague, Kai Ramer, Beth Selbe

Excused: Dr. Cynthia Avery, Chris Cate, Rob McNelis, Rick Weeks, Christina Becker

Attendees Present: Bill Clark, Nancy Stasch

- 1) **Call to Order at 6:20:** Presented handouts and their placement into ICOC binders.
- 2) **Established a quorum** with 6 members in attendance to begin the meeting at 6:20 p.m.
- 3) **Reviewed Minutes** of May 7, 2008. Beth Selbe motioned to approve, seconded by Tim Glover. Stacey LoMedico abstained. Motion approved.
- 4) **No Public Comments Addressed.**
- 5) **Recognition of Services:** We would like to thank Dr. Cynthia Avery and Dr. Timothy Glover who will be leaving the Committee. The Board of Education would like to present you with a Certificate of Recognition at an upcoming School Board meeting.
- 6) **ICOC Communications:** Dr. Timothy Glover wanted to let the Committee know that his son and his son's classmates are very excited about getting new rooms. Bill Clark attended the town hall meetings throughout the District. Beth Selbe wanted to share that her neighbors are thrilled with the new building at Cajon Park.
 - **Parking Update:** Jim Montague commented about the parking. Bill said that in response to last month's comments, the City of Santee has opened up street parking at Cajon Park on Magnolia. Things have improved since then.
- 7) **Construction Progress at the Schools:** Bill Clark shared that we are preparing to get construction underway at the 4 other sites. They will not start until the kids and teachers are gone, which will begin at noon on June 13, 2008.
 - **May Workshop** – The items are in the handouts
 - **Bid Update** – We are continuing to have favorable outcome
 - **Construction Schedule Update** – The schedule is accelerated, because of the bid environment. Eid inquired as to how much work is yet to be bid. Bill responded that in September we will be out to bid on the new 10-classroom additions. The estimate for this is \$5.2 million, but in August we should have firm prices. We are hoping to gain 10-20% from the estimates. After this, it will be the following year before we go out to bid again.

- Teaching Wall – Cabinet space. The prototype model is now available to view at Cajon Park. The feedback has been very positive.

Kai Ramer would like to know about things outside the committee's responsibilities just to be informed of the whole picture.

- 8) **Solar Panels:** Bill Clark said that the solar panels will be in front of the schools and will generate 2.8 mega watts of energy production. It cannot be stored, but the excess will go back into the grid. Dr. Tim Glover would like to see a rendition of the items. The shade solar structures will be DSA approved. The Board authorized to proceed with the planning. Borrego Solar is going to do production. There is a rush to secure the energy credits we are getting. The cost of the project is approximately \$16 million. Eid Fakhouri asked if this will encroach on the modernization program. Bill answered that the shade costs from modernization are being moved to the solar project.
- 9) **Budget Report Updates:** Eid Fakhouri inquired if the Bond money is earmarked for specific funds. Will the school district have enough money down the line? Bill answered that one of the Board members asked for a simple analysis to determine the cost difference if we get the work done sooner, rather than later. It was an enormous difference. A handout was passed out showing targeting funding from the May Board workshop. Bill Clark explained earned interest, State matching funds, which amounted to about \$33 million, and Pepper Drive eligibility source funding. QZAB is in the bank already. COP (District issued debt to bring money into the District) is \$18 million. School Developer Fees has received funds from Lennar and Standard Pacific. Barratt American is not firm at this time. Eid asked if we can diffuse the debt when Fanita Ranch gets back on track and use their funds to pay off old debt from the modernization expenses. Kai Ramer said that the \$18 million is already part of the \$165 million equation for modernization. Eid just wants to make the recommendation to pay off existing debt prior to adding more construction expenses. Stacey LoMedico said that the ICOC's only responsibility is to the \$60 million Bond funding, along with any money included in the plan. Bill Clark noted that incurring debt was part of the plan. Bill thinks that Eid had some good comments. Tim Glover added that COPS have basically covered our great bidding environment and helped with cash flow. Bill concluded by sharing the budget sheet and pointed out that there has been upward and downward movement in the budget. The District saved \$7 million in value engineering. The new budget now reflects the changes. Stacey would like to see conformity in the budgets, the formats keep changing. Bill told her that we now have a District accountant assigned and the budget sheet will be more uniform from now on. Eid would like to see the 2 line items: actual expenditures and budget projections. Bill explained that we are operating with a lease-leaseback contract and have a guaranteed maximum price (GMP) contract in place so we will not pay even \$1.00 over the contract agreement. We also have a contingency in place unless we hit an unforeseen emergency that it the contingency doesn't cover. Stacey suggested highlight & footnote all GMP's and add the date the District adopted the

budget. Bill suggested using different colors for each phase to show where the budget is still in the estimate stage.

- 10) **Performance Audit Report Status:** Bill Clark shared how AF Consultants has reviewed all the Architectural invoices. Negotiations are on-going with the architects at this time to resolve the discrepancies.
- 11) **Budget Report Updates:** Discussion on the newsletter took place. The back is dynamic. The projected start date is confusing. Take out "PHASE 2" on the front.
- 12) **ICOC Speaking Points at Future Board Meeting:** Bill invited Cynthia and Tim to attend a future Board meeting to receive recognition certificates. He thanked Tim for his work. Eid commented that he will miss his comments and expertise in future meetings.
- 13) **Comments from Committee Members/Topics for Next Meeting:** District could prepare a rough cut of the annual report to show something in August. Eid would like a subcommittee to get feedback during June and July to help with the newsletter. Distribute as part of advanced notice. The Ad-Hoc committee that was formed for this includes Beth Selbe and Eid Fakhouri.
- 14) **Information Only:** The next Facilities Committees are scheduled for Wednesdays, June 18, and August 20. Eid made a motion to resume monthly meetings the 1st Wednesday of each month from August to December, 2008. 2nd by Stacey. All approved.

The next Board Workshop will be in the summer prior to School opening, to be determined.

- 15) **Adjourn** at 8:05 p.m. to next ICOC meeting on August 6, 2008.