

**INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE**  
**OF THE SANTEE SCHOOL DISTRICT**

Wednesday, September 1, 2010

**Minutes**

**Members Present:** Gina Jackson, Eid Fakhouri, Jim Montague, Kai Ramer, Beth Selbe and Rick Weeks

**Excused:** Jorge Merino

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

- 1) **Call to Order at 6:00.** Presented handouts and their placement into ICOC binders.
- 2) **Established a quorum** of six (6) members in attendance to begin the meeting.
- 3) **Reviewed Minutes of June 9, 2010.** The minutes were motioned by Eid to be approved, and Seconded by Rick. All approved.
- 4) There were no public comments.
- 5) **ICOC Correspondence Received:** Karl Christensen wanted to share some correspondence that was received by Gina. He said there have been numerous articles in the paper and that Gina had also received a letter with erroneous allegations with regards to the Sprotte-Watson litigation. Eid responded by saying he received the same letter as Gina. Karl went on to explain the essence of the newspaper article. #1 "SWAP received \$7.5 million" – that is true. #2 "Case has been postponed" – also true. In the note mailed to Gina that the School District paid out \$5.2 million to Trittipio which SWAP said is \$3 million more than the District would have paid SWAP – that is false. Legal expenses of \$650,000 paid from G.O. Bond proceeds – is false. We have paid less than that, but none out of the G.O. Bond dollars. Kai believed that the ICOC would be kept informed regarding the litigation proceedings. Karl said any money spend is public information and is available. He said the ICOC has the interest in how the bond money is being spent. Eid wanted to know if the audits were completed when the annual report was issued, and Karl answered Yes. Eid asked if the audits contained disclosures in the financial statements regarding the pending litigation. Karl said he would get back to him on the amount if it was included. Eid & Kai would like to know anything pertaining to this if possible. Kai wanted to know who sent Gina & Eid the letters. Karl answered that they came directly from the architect, along with a sticky note with the allegations attached to them. Dianne said that we are not going to turn this into a spitting war, but they are doing that. Dianne believes that if the Board had not gone ahead with the lawsuit, there may still have been problems with the architect, just different problems.

- 6) **ICOC Communications: Discuss of any community comments:** Rick said the children he knows were amazed that we were able to remove the relocatable around the building to get it off the school grounds. Solar at Hill Creek: As of August 27<sup>th</sup>, we are officially operating with solar power. This was not purchased with the Bond money, but through Clean Renewable Energy Bonds (CREBS). It was issued at a low interest rate to offset costs. We received substantial incentives for the first five years. Plus, we get savings from not paying SDG&E. After five years, some of the savings disappear. Then we should break even. After that, it should be a great money saver. Children can learn energy consumption in the classroom from the solar project. All products were made in the USA. Most were assembled in San Diego County. Beth said that her daughter attends Hill Creek School and they were all excited over there.
  
- 7) **Capital Improvement Program State Budget Update** – Christina Becker shared information from the funding sheet. The new additions amounts were added since the last meeting for Hill Creek, Pepper Drive, & Chet F. Harritt. The totals are not final. She rushed these applications in through OPSC because they were close to depleting all bond authority and she didn't want to wait until the next future State school bond in 2012 or 2014. Kai reiterated that it is just the State that needs to sell bonds. Santee doesn't need any further voter approval. The State is finishing new construction money from Los Angeles School Districts and are looking for more new construction so they don't run out. That would increase the developer fees and the construction industry doesn't want that to happen. Christina let everyone know that we have been allocated the \$3.4 million for the 18-classroom addition at Cajon Park. Karl reminded everyone that the money will go to pay down the BAN. We will bank the money and use it in May to pay off the \$12 million BAN. Christina said that this year is unprecedented. We submitted funding for all the projects, but only were approved for Cajon Park. The State is trying to figure out how to sell more facility bonds. Gina said "Thank you for getting us in the pecking order".
  
- 8) **Membership Update & Terms:** Christina said the District is exploring applications for the position of Taxpayers' representative. We want to go over the terms of membership for everyone else. Jim's term is up based on the current bylaws; however, we would like to open up for discussion with the committee members. Should the Board make a change to term limits so that the members who are ending their term can continue? Beth said that she loves coming and participating at these meetings. Eid asked what were the alternatives? Christina said that we would have to go out and find new ICOC members from scratch all over again. Eid suggested we ask parents from the schools that will be modernized when the funding resumes if there is any interest at that time. Dianne asked if we could add new members now? Kai said that his company joined the taxpayers' representative organization for other reasons, but he would like to be our ICOC taxpayers' representative. Kai also suggested that while the ICOC membership term bylaws are being brought to the Board, to add solicitation of interest at that time. Discussion prevailed regarding the member categories in the bylaws that are missing.

Rick & Eid still have children attending schools in the District. Christina would like to get this all resolved prior to the December 1, 2010, ICOC meeting. Kai said we need to do three things: 1. Clarify the taxpayers' representative; 2. Change the bylaws to increase terms; 3. Begin the process to increase members. Dianne asked if we can change the bylaws to change the terms. Christina said that they were suggested bylaws and can be changed just like we did when we changed the quorum amount. Gina asked how to gain interest of her business owner friend to join the ICOC. Christina suggested to let her know that we only meet quarterly. We may not start up again until summer 2011.

- 9) **Comments from Committee Members/Topics for Next Meeting:** Eid asked if the Bond fund has a separate Chart of Accounts from the Ledger. He would like the fund balance. Christina answered that the District has spent the bond money three times over. Eid wants to see a trial balance for the CIP funding sources. Christina said that we have more than Prop R money to show him. Status updates from State. Legal issues that we can share. Kai asked if there were any mandatory mediations. Dianne & Christina answered "Yes". We already tried a few times. Dianne hopes the trial is over by then so she can share the good new. Christina hopes the State has balanced its budget by then.
- 10) **Board Actions Since Last Meeting:** Handouts were presented. Christina shared how well we are saving money with the water savings measures. We put up a shade structure. Final approval for the Chet ball field. Storm water permitting updating was done & paid. We are designing a custom shade at Carlton Oaks which is the best design for how the school works. We are going to DSA & hopefully will be done over winter break. Eid mentioned that Carlton Oaks is really clean, because of the volunteers that were all pulling weeds.
- 11) **Adjourned at 7:00** to Next ICOC meeting December 1, 2010, from 6:00 to 8:00 p.m.