

## LEMON GROVE SCHOOL DISTRICT

OFFICIAL MINUTES OF THE  
REGULAR MEETING OF THE INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

**INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE REGULAR MEETING — March 15, 2011** – The regular meeting of the Independent Citizens' Oversight Committee of the Lemon Grove School District was held at the Education Center, 8025 Lincoln Street, Lemon Grove, California, on Tuesday, March 15, 2011. Helen Ofield called the meeting to order at 6:00 p.m.

**Committee Members Present:**

William Baber (Taxpayers' Organization)  
Scott Caneday (Parent, PTA, At-Large Community Member)  
Thomas E. Clabby (Senior)  
Cary Demaree (Parent, PTA, At-Large Community Member)  
Mark Allen Gracyk (Business Community & At-Large Community Member)  
Ilse Hanning (At-Large Community Member)  
Helen Ofield (At-Large Community Member) – (Pro Tem Chair)  
Rosemary Putnam (Senior & At-Large Community Member)  
Emma Rios (Parent, PTA, At-Large Community Member)  
Gerard Selby (Parent, PTA, At-Large Community Member)  
Toni Shaw (At-Large Community Member)

**Committee Members Absent:**

None

**District Staff Members Present:**

Mr. Ernest Anastos, Superintendent  
Ken Fine, Facilities, Maintenance, Operations & Transportation (FMOT), Director  
Joanne Branch, San Diego County office of Education, Facilities and Maintenance  
Michelle Flores, Account Clerk

**Attorney Present:**

Sophie Akins, Best Best & Krieger

**PLEDGE OF ALLEGIANCE** – Helen Ofield led the Pledge of Allegiance.

**PRO TEM CHAIR:** It was moved by Hanning, seconded by Clabby, and carried unanimously for Helen Ofield to call this meeting to order.

**AGENDA** – It was moved by Hanning, seconded by Clabby, and carried unanimously to approve the agenda as presented.

**MINUTES** – It was moved by Hanning, seconded by Shaw, and carried unanimously to approve the minutes of the regular meeting of September 21, 2010.

**HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA** – None

**ELECT CHAIR AND VICE CHAIR POSITIONS**

It was moved by Ofield, seconded by Putnam, and carried unanimously to elect Mark Allen Gracyk as the new Chair and Thomas Clabby as the new Vice Chair.

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**INTRODUCTION OF NEW ICOC MEMBERS - ALL PAST MEETING AGENDAS ARE LOCATED ON THE DISTRICT'S WEBSITE ([www.lemongroveschools1.net](http://www.lemongroveschools1.net))**

Mr. Anastos introduced the five new ICOC members: William Baber (taxpayers' organization), Mr. Scott Caneday (parent, PTA, at-large community), Cary Demaree (parent, PTA, at-large community), Emma Rios (parent, PTA, at-large community), and Gerard Selby (parent & at-large community). He thanked them for their commitment to the district and the community by serving as a member of the ICOC.

It was further recognized with gratitude the time dedicated by past ICOC members: Charlette Farmer (parent, PTA, at-large community), Dianna Martinez-Lilly (at-large community), Robert Mastny (seniors), and Breton Peace (taxpayers' organization).

**BOND AUDIT BY WILKINSON, HADLEY, KING & CO. LLP**

Mr. Mike Mears presented the auditor's report through June 30, 2010. It was the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the building fund of Lemon Grove School District as of June 30, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition to the financial audit, an audit of the building fund was performed. The auditor verified a separate building fund of the District has been established to account for the receipts of proceeds and expenditures for the period of July 1, 2009 through June 30, 2010. Through examination of the bond issue settlement statement and accounting records, the auditor verified that the net proceeds from the sale of the General Obligation (GO) bonds were recorded in the separate fund of the District. 90 percent of the total expenditures were selected for the year that included (invoices, purchase orders, receiving documentation, contracts, etc.) and verified that the funds expended complied with the purpose that was specified to the registered voters of the District. The District's normal purchasing (including quotations and bid requirements) and accounts payable policies and procedures were complied with. A committee member asked about the cost of the audit and if the price would change if the District requested that additional items be audited. The auditor responded that the price is a set base price and regardless of how little or how much is audited the price remains the same.

**CLOSING INFORMATION ON \$8,000,000 GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B**

Mr. Anastos was pleased to announce that in October 2010, Series B General Obligation bonds were sold in the amount of \$8,000,000. The sale of these bonds allowed the District to now move forward with the Lemon Grove Middle School Joint Use Library.

**QUALIFIED SCHOOL CONSTRUCTION BOND (QSCB) APPLICATION UPDATE**

Mr. Fine updated the committee with regards to the QSCB application. In November 2010 the District applied to sell these interest free bonds. On February 1, 2011 the District found out that they were not awarded the QSCB. The criteria in order (1. application must have been post marked by November 5, 2010 2. projects approved by the Division of the State Architect (DSA) and 3. Districts with the highest number of students received free and reduced lunches). The District was number 23 out of 80 QSCB applications. A committee member asked if the District might see those funds. Mr. Fine stated that the other districts do have three years to spend the funds or they go back to the state to be allocated to other districts meeting the criteria indicated. Not being awarded the QSCB prompted the District to sell Series C General Obligation bonds.

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**RESOLUTION 10-11-14 ENTITLED "RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, 2008 SERIES C, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,000,000"**

Mr. Anastos informed the committee that not being awarded the QSCB prompted the District to move forward with the sale of Series C General Obligation bonds in the amount of \$5,000,000. These funds will enable the District to cover the Lemon Grove Middle School projects. Mr. Anastos was amazed at how fast the bonds sold due to the falling market. Investors were interested in finding strong, secure places to invest and the District's AA rating made for an attractive place to invest.

**PROPOSITION W, 2008 ELECTION, SERIES B&C TENTATIVE CONSTRUCTION TIMELINE**

Mr. Fine gave an update on completed projects. He also assured the committee that a sign will be going up at Lemon Grove Middle School to update the public on the status of projects. A committee member asked to include the website on the sign as well as making the emphasis about the STEM school. Mr. Anastos gave an update on the competition with two Design Build teams for the Lemon Grove Middle School Joint Use Library and STEM school at the San Diego County Office of Education (SDCOE) earlier in the day. There were four teams that were prescreened by SDCOE however, two of the four could not complete the project for Davy Architecture's criteria amount. The Design Build team that was awarded the project is the Legacy Building Services team. A committee member asked how local businesses have an opportunity with regard to using Design Build. Mr. Anastos said that an outreach coordinator will work on making sure that qualified local businesses are on the bid list. A picture (not final) of the project was presented to the committee. Once the final picture of the project can be provided, the committee members recommended that it be posted for the public to see.

**SAN DIEGO COUNTY SUPERINTENDENT OF SCHOOLS FACILITY JOINT POWERS AUTHORITY (JPA) – DESIGN BUILD COMPETITION**

Joanne Branch with SDCOE shared that due to difficulty with districts getting projects done in a timely and inexpensive manner, pre-qualifies the FACJPA vendors in a two step - two stage award. SDCOE brings additional opportunities to the district (i.e. project management, capital facility program management, professional services contracting, construction contracting, DSA certification and contract closeout, storm water permit support, etc.). Mr. Anastos expressed value in creating a partnership with SDCOE. Design teams brought to the District will allow them more opportunities; prescreening establishes reputations. Ms. Branch stated that SDCOE – Educational Facility Solutions Group (EFSG) has been around for 17 years and they do more than they've done in the past. SDCOE's partnership with smaller districts gives the districts more leverage with costs and good performance. A committee member asked if the District loses any control of the project. Sophie Akins (BBK) drafted an agreement that the District has the power not the JPA to drive the project. A committee member asked what other districts are in the JPA with the Lemon Grove School District. Ms. Branch shared at this time La Mesa Spring Valley, Ramona, Julian, Dehesa (pending), and Lakeside (pending).

**PROPOSITION W GENERAL OBLIGATION BOND EXPENDITURE REPORT**

Michelle Flores presented the expenditure report through March 11, 2011. It was moved by Selby, seconded by Clabby, and carried unanimously to approve the expenditure report.

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Sophie Akins (BBK) recommended the language be amended on Resolution 09-10-29 for Board approval to reflect that funds are not to be spent on salaries.

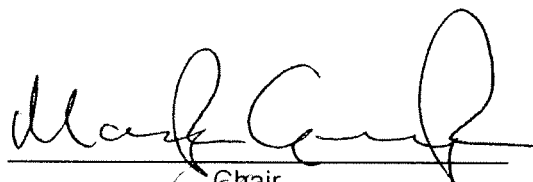
**SCHEDULE SPECIAL MEETING FOR ANNUAL REPORT PREPARATION**


It was moved by Ofield, seconded by Selby, and carried unanimously to schedule a Special Meeting for Monday, April 11, 2011 at 5 p.m. to complete the annual report that will be presented to the District's Board at the April 26, 2011 meeting.

**ITEM(S) FOR SUBSEQUENT MEETING**

1. Fund 40-00 (Thren) - amend language on Resolution 09-10-29
2. Annual report
3. Schedule future meetings

**ADJOURNMENT** – Meeting was adjourned at 8:00 p.m.

  
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Chair

  
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Account Clerk