

**Lemon Grove School District
Official Minutes of the Independent Citizens' Oversight Committee Meeting – April 19, 2017
Lemon Grove Academy (Middle) – Administration Office – Training Room
7866 Lincoln Street, Lemon Grove, CA 91945**

CALL TO ORDER – The Chair called the regular meeting of the Independent Citizens' Oversight Committee of the Lemon Grove School District to order at 5:04 p.m.

Committee Members Present: Baber, Gonyea, Hanning, Pettis, Selby, Shaw

Committee Members Absent: Demaree, Miller

Official Board Representative: Larry Loschen

Staff Members Present: Flores, Potter

Attorney Present: Dorward

PLEDGE OF ALLEGIANCE – Mr. Pettis (Chair) led the Pledge of Allegiance.

AGENDA - It was moved by Hanning and seconded by Selby to approve the agenda amending item 3, bond audit, to an action item. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.

MINUTES - It was moved by Selby and seconded by Hanning to approve the Minutes for the meeting of March 22, 2017 as presented. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.

HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA – None

APPROVAL OF ANNUAL REPORT TO BE PRESENTED TO THE LEMON GROVE SCHOOL DISTRICT'S GOVERNING BOARD MAY 9, 2017 - The District's Governing Board moved to a one page report. The first portion and conclusion sections of the report are required per the California Constitution for bond funds and the section on projects updated are what new information is. This is the second time the annual report includes both Proposition W (Prop W) and Measure R projects. The number of construction projects completed and ongoing serves as a great sense of pride. Dr. Potter thanked Chairs, Vice Chairs, and Members for their continued dedication.

It was moved by Baber and seconded by Selby to approve Mr. Pettis, Chair to present the annual report to the Governing Board May 9, 2017 at 6 p.m. at the Lemon Grove Library – Community Room, 3001 School Lane, Lemon Grove. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.

FUTURE MEETING – It was moved by Selby and seconded by Shaw for the 2017-2018 ICOC meetings to be held at 5 p.m., September 20, 2017, March 21, 2018, and April 25, 2018. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.:

RE-ELECT CHAIR AND VICE CHAIR – After reading the ICOC bylaws section 8 it was moved by Hanning and seconded by Baber to re-elect Jon Pettis, Chair and Gerard Selby, Vice Chair. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.

RESOLUTION 16-17-14 OF THE GOVERNING BOARD OF THE LEMON GROVE SCHOOL DISTRICT, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, 2014 ELECTION, SERIES C IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,000,000 AND APPROVING RELATED DOCUMENTS AND ACTIONS - Dr. Potter provided a single page of information with exact text from the April 4, 2017 Governing Board meeting to approve the issuance and sale of GO bonds, 2014 Election, Series C (attached). Measure R had four Series of; Series A and Series B have already been issued. Dr. Potter also provided a copy of the PowerPoint (PPT) Dale Scott, financial advisor presented to the Governing Board capturing information on all GO bonds for the District (attached). Our District can only fund projects from the ballot measure. Where districts get in trouble is when they deviate from the ballot measure project list. As we move forward, the Governing Board will identify construction projects.

Member Baber thought there is a limit per thousand for tax rate; Mr. Dorward agreed. Member Baber stated the information in the PowerPoint looks normal however, how does it get up to page seven of the PPT? Mr. Dorward commented that amounts are going to be up to your maximum rising tax rate over time. Member Baber mentioned projecting property values go up. Dr. Potter directed members to page (10) of the PPT showing the information per assessed valuation. Mr. Pettis wanted to know what percentage of the District's budget pays back the bond debt. Member Selby shared the District budget does not pay bond debt; bonds are paid by line item on property tax bill.

RESOLUTION 16-17-15 OF THE GOVERNING BOARD OF THE LEMON GROVE SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION ED TECH BONDS, 2014 ELECTION, SERIES D IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,000,000 AND APPROVING RELATED DOCUMENTS AND ACTION - Dr. Potter provided a single page of information with exact text from the April 4, 2017 Governing Board meeting to approve the issuance and sale of GO bonds, 2014 Election, Series D (attached). Our District can only fund projects from the ballot measure. Where districts get in trouble is when they deviate from ballot measure project list. As we move forward, the Governing Board will identify Ed-Tech projects. Dr. Potter reminded ICOC of their job to make sure taxpayers' dollars are being spent on projects within the scope of the ballot language. Upcoming projects include phone system and upgraded fiber/raceway that covers from CAT 5 to CAT 6. The District hopes to match bond funds with E-Rate federal funds so we only pay 15%; applications have been submitted for E-Rate. Mr. Loschen is looking forward to various recommendations from staff of what they would like the Governing Board to do as a group decision now that bonds are approved.

Member Baber asked if Ed-Tech are (10) year bonds? Dr. Potter understands the Ed-Tech bonds are to be paid off by taxpayers in three to five years due to technology not lasting long enough. Mr. Loschen recommended that Mr. Scott give a descriptor of each series rather than only a series letter.

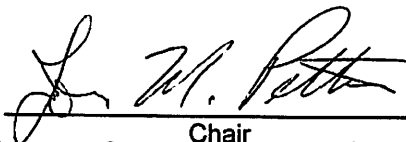
RESOLUTION 16-17-16 OF THE GOVERNING BOARD OF THE LEMON GROVE SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF 2017 GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 AND APPROVING RELATED DOCUMENTS AND ACTIONS - The third task Mr. Scott realized is on Prop W not Measure R. Dr. Potter provided a single page of information with exact text from the April 4, 2017 Governing Board meeting to approve the issuance and sale of 2017 GO refunding bonds (attached). These are callable bonds meaning at a certain period of time after the series has amortized you can refinance/refund the bonds and our Governing Board wants to take advantage of this. The option to refund/refinance is not to benefit the school district; it's to benefit taxpayers for being good stewards and partners. The District goes out to the market and refund a portion of the bonds. Member Selby asked what the savings and timeline will be. It will save taxpayers just under \$1 million and the following are steps: 1 - the Governing Board approves the reissue, 2 - get a good Standards & Poor (S&P) rating, 3 - go out to sell the bonds. Dr. Potter stated the best rating is A- and the last two years the district received AA- ratings.

RESOLUTION 16-17-16 OF THE GOVERNING BOARD OF THE LEMON GROVE SCHOOL DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF 2017 GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 AND APPROVING RELATED DOCUMENTS AND ACTIONS CONTINUED - The ICOC's work is very important to the District and the community. Member Baber wanted to know an approximate timeframe when all of the bond funds would be spent. Dr. Potter stated it depends on the Governing Board's project list; some projects take longer than others. There may be fewer meetings and Mr. Dorward mentioned that other districts make the ICOC's obligation as little as possible. Mr. Baber was thanked for his thorough questions.

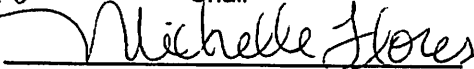
ITEM(S) FOR SUBSEQUENT MEETING - Solar update

ADJOURNMENT – It was moved by Selby and seconded by Hanning to adjourn. The motion was called for with the following results: Ayes – Baber, Gonyea, Hanning, Pettis, Selby, Shaw; Nays – none; Absent – Demaree, Miller. The motion carried.

Meeting was adjourned at 5:55 p.m.



Chair



Account Technician