

LEMON GROVE SCHOOL DISTRICT

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

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE MEETING — March 4, 2014 – The regular meeting of the Independent Citizens' Oversight Committee of the Lemon Grove School District was held at the Lemon Grove Academy (Middle), Administration Office Training Room, 7866 Lincoln Street, Lemon Grove, California, on Tuesday, March 4, 2014. Cary Demaree (Chair) called the meeting to order at 5:03 p.m.

Committee Members Present:

William Baber (Taxpayers' Organization)
 Thomas E. Clabby (Senior)
 Cary Demaree (Parent, PTA, At-Large Community Member – Chair)
 Ilse Hanning (At-Large Community Member)
 Helen Ofield (At-Large Community Member – Vice Chair)
 Rosemary Putnam (Senior & At-Large Community Member)
 Toni Shaw (At-Large Community Member)

Committee Members Absent:

Scott Caneday (Parent, PTA, At-Large Community Member)
 Mark Gracyk (Business Community & At-Large Community Member)
 Emma Rios (Parent, PTA, At-Large Community Member)
 Gerard Selby (Parent, PTA, At-Large Community Member)

District Staff Members Present:

Gina Potter, Assistant Superintendent, Business Services
 Judy Queenan, Administrative Assistant to the Superintendent

Attorney Present:

Ty Dorward, Best Best & Krieger

PLEDGE OF ALLEGIANCE – Cary Demaree led the Pledge of Allegiance.

AGENDA – It was moved by Hanning and seconded by Ofield to approve the agenda as presented. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried.

MINUTES –Mr. Clabby asked if the Central Kitchen project and the replacement of rotted wooden windows project at Monterey Heights School had begun. Dr. Potter stated that she will address those items in the State Allocation Board (SAB) item later in this agenda and that there is no timeline for those two items. Mr. Clabby expressed concern about the windows falling out and asked what is being done as preventive maintenance. Mr. Demaree responded that windows are being moved to replace some of the existing windows. Mrs. Ofield asked that "*per day*" be added to the end of the first sentence under item 1 of the SAB item. Mr. Clabby mentioned the installation of the decomposed granite on the Lemon Grove Academy Middle track and expressed his hope that the District will coordinate this work with the City of Lemon Grove as the field is used by the City for adult sports programs in the evening. Mrs. Hanning asked if the use of copper plumbing for the domestic water system has been ruled out; Dr. Potter stated that no final determination has been made yet but that cast iron is

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MINUTES (continued) – the better choice. It was moved by Clabby and seconded by Baber to add the words “*per day*” to item 1 under the topic State Allocation Board Projects (SAB) and to approve the minutes of the regular meeting of September 17, 2013 as amended. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried.

HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA – No one addressed the Committee.

ATTENDANCE - Dr. Potter introduced Judy Queenan, who was substituting for Michelle Flores to take minutes, and Ty Dorward, who was attending in place of Sophie Akins from Best Best & Krieger. She noted that Bret Felix was unable to attend the meeting as he is recovering from an injury.

ELECT CHAIR AND VICE CHAIR – Dr. Potter noted that the Committee’s bylaws were changed last year to include an extended term of membership and the extended term of office. The Committee has the option to maintain the current officers for three consecutive years or members can take turns. It was moved by Baber and seconded by Hanning to elect Cary Demaree as Chair. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried. It was moved by Ofield and seconded by Baber to elect Helen Ofield as Vice Chair. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried.

BOND AUDIT BY WILKINSON, HADLEY, KING & CO. LLP – Dr. Potter stated that the auditor was unable to attend the meeting. Any questions will be noted in the minutes and shared with the auditor. Dr. Potter stated that the Proposition W audit covers the year ending June 30, 2013. The audit includes the names of the ICOC members. Funds are maintained in the San Diego County Treasury, and the auditor makes sure that the funds are there. This is the safest place for the funds and is compliant with Governmental Accounting Standards Board (GASB) regulations. As of June 30, 2013, the fund balance was \$6,454,619. The audit lists unfinished capital projects showing how much was spent for that year and the expected completion date for each project. Mrs. Ofield asked if there was a match for the Kaiser grant funds that covered the dental clinic. Dr. Potter stated that the dental clinic was funded by a Health Resources and Services Administration (HRSA) federal grant. Additionally, both Drs. Silverstein have obtained auxiliary funding through contributions and donations. Proposition W funds will be about \$40,000 for the dental program and can only be used on construction. Mr. Clabby stated that the \$1053 listed in the audit for the dental clinic is only a small portion of the total cost. Dr. Potter stated that Best Best & Krieger conducted an auxiliary audit of the Proposition W expenditures to ensure they were authorized and approved by Proposition 39. Dr. Potter noted that the audit includes information about facilities site walkthroughs that were performed by the auditors in order to see where the construction work occurred. She stated that the auditor’s opinion is that the District has complied with the requirements for the Proposition W Building Fund. Mr. Baber noted the statement that the ICOC minutes were reviewed and are in compliance with Education Code. Dr. Potter noted that the audit states there were no findings to report. It was moved by Hanning and seconded by Shaw to approve the bond audit. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried.

COMMITTEE MEMBERS TO PREPARE ANNUAL REPORT AS SPECIFIED IN THE ICOC BYLAWS SECTION 3.(3.2). PRESENT AT GOVERNING BOARD MEETING MAY 13, 2014 – Dr. Potter stated that the Committee needs to select members to prepare a report to the Governing Board. Traditionally, this has been the ICOC Chair and Vice Chair for the past year plus two other members. Facilities, Maintenance, Operations, Transportation (FMOT) department can prepare a photo presentation of the construction projects to share with the Board. Mrs. Ofield will narrate the presentation. Mrs. Hanning can assist in explaining what is shown in the photos. It was moved

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COMMITTEE MEMBERS TO PREPARE ANNUAL REPORT AS SPECIFIED IN THE ICOC BYLAWS SECTION 3.(3.2). PRESENT AT GOVERNING BOARD MEETING MAY 13, 2014 (continued) – by Mr. Demaree and seconded by Shaw that Mrs. Ofield and Mrs. Hanning would join Mr. Demaree and Mr. Selby in preparing and presenting the ICOC annual report to the Board. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried. Mrs. Ofield and Mrs. Hanning will prepare a first draft and send to Mrs. Flores to edit prior to sharing with the Committee members.

BROWN ACT CHANGES – Dr. Potter discussed changes to the Brown Act effective January 2014 that require actions be reported out showing exactly how members voted instead of using a number count or using the term *unanimously*. Mr. Dorward stated that this is a way to track votes; most public agencies are already doing a good job of reporting actions. This change in the reporting of actions taken by the ICOC will be reflected in the minutes of this meeting and future meetings.

PROPOSITION W GENERAL OBLIGATION BOND EXPENDITURE REPORT – Dr. Potter reviewed the project commitments and the amounts remaining against the budget. She noted the costs associated with the Vista La Mesa Academy (VLMA) domestic water system, the Child Nutrition Services (CNS) Central Kitchen, the Districtwide wireless infrastructure, the Lemon Grove Academy decomposed granite track, playground equipment, the Monterey Heights School window systems, Americans with Disabilities Act (ADA) upgrades, and bond management. Dr. Potter reviewed the architecture, Division of the State Architect (DSA), and legal expenditures for the CNS Central Kitchen project. Most of this architectural work has been done since the last ICOC meeting. Dr. Potter reviewed expenditures for the dental clinic project. Most of this work is related to the past six months. Dr. Potter would like to tour the dental clinic with the ICOC, maybe at the next meeting. She noted expenditures on playground equipment, including the replacement of a basketball hoop system at Monterey Heights School. She also noted expenditures on the Districtwide safety/security phone system upgrade, which includes Proposition W and E-Rate funding. This project should be completed in the next six months. Safety and security expenditures include installing security gates and the modernization of the VLMA office to make it safer and easier to see who is entering the campus. This required that the VLMA parking lot be made ADA compliant at a cost of \$8338. The Districtwide security gates project has been completed. Dr. Potter stated that staff and parents are grateful for the increased security. Dr. Potter reviewed expenditures for the STEM conversion/joint use library project, which included some cabinetry, Lemon Grove Academy Elementary signage, and a desk in the Library for a media specialist. Mrs. Ofield stated that the Library is successful and always busy. The building is great. Bond management expenditures ended this year with the departure of Ken Fine as the District's owner's representative. One hour per day is paid with Proposition W funds for the account clerk's salary and four hours per day for the bond clerk's salaries. Mrs. Ofield asked if we are at the end of our money and stated that the E-Rate funding is a gift that keeps on giving. Dr. Potter stated that all current Proposition W funding will be spent once the outstanding projects are completed. There are still two more bond issuances, Series D and E. Because of the current assessed valuation, the District is not in a position to sell those bonds. The Board has authorized a bond survey to see voter interest in reauthorizing the existing bonds or issuing EdTech bonds. Mr. Baber stated that EdTech bonds allow a district to use 30-year construction bonds for equipment that only lasts three years and would be paid off in three years; the debt and the equipment match. Dr. Potter mentioned that the gubernatorial election in November 2014 and the presidential election in 2016 are the best times to participate in an election. The Board is not surveying for new bonds. The survey results will be presented to the Board at its March 25 meeting. The sampling includes 300 to 600 residents. The survey asks if the Board should talk about this at all. The California legislature and the Governor are in sync in an effort to push facilities funding to the local level. The question is: How does the District deal with that after 10 years of drought in facilities funding? Mr. Baber stated that this will cause disparity in that some districts will tax themselves and others will not. Mr. Dorward stated that this will produce some American Civil Liberties Union (ACLU) interest as a Williams issue; also, the

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PROPOSITION W GENERAL OBLIGATION BOND EXPENDITURE REPORT (continued) – Governor does not want to secure more debt through a statewide bond. Mr. Clabby stated that he is not interested in paying more property taxes. It was moved by Ofield and seconded by Hanning to approve the Proposition W general obligation bond expenditure report. The motion was called for with the following results: Ayes – Baber, Clabby, Demaree, Hanning, Ofield, Putnam, Shaw; Nays – None; Absent – Caneday, Gracyk, Rios, Selby. The motion carried.

STATE ALLOCATION BOARD PROJECT UPDATE – Included in the ICOC agenda packet was a list of projects from State Allocation Board (SAB) funds. One million dollars is allocated to the Central Kitchen upgrade. Dr. Potter distributed a construction timeline and a bid timeline. The District is close to finishing specifications and plans. The bid opening will be held on May 13, and the Board will award the bidder on May 27. Construction is scheduled to begin June 2 and completed October 10. The kitchen on the Palm campus will be used during construction. No additional equipment will be required, but there may be additional costs for transporting food. A new truck is being purchased at a cost of \$60,000 to add to the existing truck; there should be no increase to personnel costs. The District is in the process of drafting a wireless network contract with Infinity as E-Rate consultants. This is a \$1.9 to \$2 million project for the six schools. Solutions to changes in the technology industry are being worked on by a team of engineers and CISCO to devise a design solution. Mrs. Shaw asked if the District has enough computers for students to take tests for Common Core. Dr. Potter stated that middle schools are now at a 2:1 ratio. Grades 3-5 are the next wave to look at for Common Core and Smarter Balanced Assessment Consortium (SBAC); those grade levels are not 2:1 but maybe 3:1 or 4:1. The Local Control Funding Formula (LCFF) provides the District with large supplemental concentration money that can be spent schoolwide. Likely, the money would be spent on computers. The District hopes to have wireless and hardware by spring 2015. Dr. Potter shared photos of Lemon Grove Academy and VLMA playground project samples. The District will enter into an agreement with San Diego County Office of Education (SDCOE) Joint Powers Authority (JPA) for the Monterey Heights School windows system, the athletic field, Division of State Architect closeouts, and the domestic water system projects that would allow them to have oversight of those projects and move the projects forward more quickly. By clustering the balance of the projects through SDCOE, Joanne Branch will become the project manager for those projects. Dr. Potter will bring project timelines when available. She stated that the District trusts Ms. Branch's knowledge and expertise, and SDCOE can save the District money. Dr. Potter will continue to bring project updates until all projects are closed.

LONG RANGE FACILITY MASTER PLAN UPDATE – Dr. Potter shared completed projects to show all of the accomplishments beginning 2010 to the present. The District has the smallest FMOT and Business Departments countywide, and this is a lot of work for the size of the budget. Dr. Potter shared planned and tentative projects moving forward. The District needs to find funding for some of these issues that do not have funding sources. Proposition W and E-Rate will be able to cover some projects. Mrs. Ofield asked about overcrowding relief and the need for four additional classroom spaces. Dr. Potter explained that the District's enrollment had been declining up until two or three years ago with school conversions to the science, technology, engineering, mathematics (STEM) academy and dual immersion Spanish/English, which are both popular programs. Children from neighboring districts want to attend Lemon Grove schools. Mr. Clabby asked who pays for the additional children's attendance. Dr. Potter explained that the state pays through growth in the budget through average daily attendance (ADA). Mr. Baber stated that ADA increases with the additional students; the District receives an equivalent cost for all students. If students come from outside districts, Lemon Grove will receive more money. Dr. Potter stated that growth and expansion discussion will take place at the March 25 Board meeting. Ms. Branch is searching the county for gently used relocatable buildings for just the cost of moving them. There are moving and set-up costs associated with relocatables. She stated that it is a good thing to be experiencing increasing enrollment. It is a wonderful thing for families to want to remain in Lemon Grove and for families from outside the District to want their children to attend here. Mrs. Hanning noted that buildings have not been fully utilized during the decline.

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LONG RANGE FACILITY MASTER PLAN UPDATE (continued) – Mr. Clabby thought the theme was getting rid of portable buildings. Dr. Potter stated that there has been discussion about modernizing relocatable buildings with carpet and cabinets; the District would never have the money to construct new buildings. Dr. Potter stated that the District uses five-year increments on predicting demographics. Mrs. Ofield stated that the community will ask how Proposition W money is going. Dr. Potter stated that \$18 million was issued and \$10 million remains. The only way to access that \$10 million is to reauthorize the bond. Mr. Baber stated that property taxes will show two bills if reauthorization is approved. Dr. Potter stressed that only the \$10 million can be reauthorized. Mr. Baber stated that reauthorization assists communities with low assessed valuation. Mr. Dorward stated that reauthorization has become a common thing over the past years. (Mr. Baber left the meeting at 6:45 p.m.) Mrs. Hanning asked about a performing arts school conversion. Dr. Potter stated that San Miguel is looking into becoming a fine arts academy. The Superintendent has become a member of the San Diego Museum of Art's Education Committee. We now have a robust partner who is seeking contributions. There is excitement about that program and the curriculum conversion. The dual immersion program cost the District four relocatables to go from preschool through eighth grade instead of preschool through sixth grade. The District needs to find classrooms for seventh graders. This will impact Proposition W funding very little. Dr. Potter is not aware of brick and mortar costs associated with the fine arts conversion; mainly, there would be changes to curriculum. Mr. Clabby asked about the curriculum connection. Dr. Potter stated that fine arts includes drawing, dance, drama. There would have to be an expansion of the state-adopted fine arts curriculum. There is a performing arts component. Resources will confine what we do. Partnerships are important for the resources they would bring to the District.

LIBRARY PARKING DISCUSSION – Mrs. Putnam stated that architects have said the corner where the Library sits is the most dangerous corner in Lemon Grove and needs to be addressed. She receives six phone calls a day asking when the parking situation is going to be fixed. There is no place to park, and people are not going to the Library for that reason. Security guards working at Sprouts and the Dollar Store are asking shoppers where they are going to see if they are parking there for the Library. More parking needs to be created. Also, elderly people are having a problem getting up the ramp to get into the Library. Students walk into the street. Mrs. Putnam mentioned using the school's tennis courts for student drop off, opening up existing parking to people using the Library. Dr. Potter explained the latter is not an option because the middle field is already too small for current Education Code school facility requirements. The police have stated that this corner is an accident waiting to happen. Dr. Potter said the District and City of Lemon Grove are in deep discussion regarding parking and expanding parking. Regarding the use of the tennis courts, a lot of people are looking at the space behind the Recreation Center. The grass is already jointly used with the City. The HEAL Zone wants to expand that area. The Board is passionate about the tennis courts. The Board has requested that the courts be closed off until repairs are made. A percentage of every middle school campus must be reserved for athletics; the District is now marginally meeting compliance, and removing the tennis courts would make the issue worse. The City Manager and City Council have discussed one-way parking with diagonal parking spaces. It would cost \$6000 to have inspectors come to look at the parking and see about closing a portion of the street and put in diagonal parking. The street is not District property, and the District can only spend money on school property. Mrs. Putnam extended an invitation for the Superintendent to come and speak at the next Friends of the Library meeting; the Friends of the Library have an endowment fund that might be available to use for the inspectors. Mrs. Hanning stated that that would triple the parking. Mrs. Ofield stated that the next Friends of the Library meeting would be held March 26 at 9:30 a.m. in the Library's Rosemary Putnam Community Room; maybe Mrs. Putnam and Friends of the Library President Jim Elliott can meet with the City Manager prior to that meeting. Mr. Demaree suggested that this item be tabled until after the meeting with the Friends of the Library. Dr. Potter will ask the Superintendent if he and the City Manager would be available for the March 26 meeting and will contact Mr. Elliott to see about putting the parking issue on the Friends of the Library agenda. An update will be brought back to the next ICOC meeting.

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FUTURE MEETINGS –

- Wednesday, April 23, 2014, at 5 p.m. (approval of annual report)
- Wednesday, June 25, 2014, at 5 p.m.

ADJOURNMENT – Meeting was adjourned at 7:05 p.m.



Chair



Judy Queenan

Administrative Assistant to the Superintendent
(Substitute for Account Technician)