

LEMON GROVE SCHOOL DISTRICT
Special Meeting of the Independent Citizens' Oversight Committee

Lemon Grove School District
District Office (Board Room)
8025 Lincoln Street
Lemon Grove, California 91945

May 2, 2018

5:00 p.m.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the office of the District Superintendent at (619) 825-5600. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability. Notification 72 hours prior to the meeting for Spanish translation services at the Board meeting may also be requested by contacting (619) 825-5600. (Si requiere servicio de traducción a español para la junta de la mesa directiva, necesita solicitar estos servicios 72 horas antes de la junta. Favor de llamar 619-825-5600.)

1. OPENING FUNCTIONS

- a. Call to Order
- b. Pledge of Allegiance
- c. Approval of Agenda **Action**
- d. Approval of the Minutes from the meetings of March 21, 2018 and April 25, 2018 (pp. 2-5) **Action**

2. HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA

Citizens wishing to address the Independent Citizens' Oversight Committee on an agenda item are asked to fill out a card and submit it to the Deputy Superintendent.

- 3. APPROVAL OF ANNUAL REPORT TO BE PRESENTED TO THE LEMON GROVE SCHOOL DISTRICT'S GOVERNING BOARD MAY 8, 2018 (pp. 6-8)** **Action**

- 4. FUTURE MEETINGS** **Action**

- Wednesday, September 19, 2018 at 5 p.m.
- Wednesday, March 20, 2019 at 5 p.m.
- Wednesday, April 24, 2019 at 5 p.m.

- 5. RE-ELECT CHAIR AND VICE CHAIR** **Action**

6. ADJOURNMENT

The Lemon Grove School District does not discriminate with regard to gender, sex, race, color, religion, national origin, ethnic group, marital or parental status, physical or mental disability, sexual orientation, or any other unlawful consideration. LGSD Board Policy #0410

Lemon Grove School District
Official Minutes of the Independent Citizens' Oversight Committee Meeting – March 21, 2018
Lemon Grove Academy (Middle) – Administration Building – Conference Room B
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 5:10 p.m.

Committee Members Present: Baber, Hanning, Miller, Pettis, Selby (arrived at 5:15 p.m.), Shaw

Committee Members Absent: Demaree, Gonyea

Official Board Representative: Larry Loschen

Staff Members Present: Branch, Flores, Potter

Attorney Present: Dorward

Guests Present: Bob Wilkinson (Auditor) and Angeles Nelson (CHIP/HEAL Zone)

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

AGENDA - It was moved by Hanning and seconded by Miller to approve agenda as presented. The motion was called for with the following results: Ayes – Baber, Hanning, Miller, Pettis, Shaw; Nays – none; Absent – Demaree, Gonyea, Selby (arrived at 5:15 p.m.). The motion carried.

MINUTES - It was moved by Hanning and seconded by Baber to correct the Minutes of the September 20, 2017 meeting, agenda item 5 motion corrected to reflect it was moved by Hanning. The motion was called for with the following results: Ayes – Baber, Hanning, Miller, Pettis, Shaw; Nays – none; Absent – Demaree, Gonyea, Selby (arrived at 5:15 p.m.). The motion carried.

HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA – Mr. Pettis (Chair) introduced Angeles Nelson with Community Health Improvement Partners (CHIP) the Healthy Eating Active Living (HEAL) Zone. Ms. Nelson is a community advocate for the HEAL Zone and is on the San Diego Breast Feeding board of directors. She is very happy and commends the district as they invest in the health of kids. Ms. Nelson would like to have the district stay on track with the remaining bond funds to help provide better healthy lifestyle options for children. The HEAL Zone provided funding for water stations at three schools and is ready to provide additional funding to purchase more water stations so all schools have them. Ms. Nelson is concerned the district doesn't have funds for installation and would like to see if bond funds could support the installation. She reminded members that one of the Bills that passed was for school districts to provide fresh drinking water at all schools effective July 1, 2011; the district is behind. HEAL Zone would like kids to have a choice encouraging the consumption of water for their health and to have an alternative to high sugar beverages. They would like to encourage using available funds for physical education. Mount Vernon needs locker rooms since the expansion that now includes 7th and 8th grade. Ms. Nelson would like to encourage combining other district funds with what the HEAL Zone contributes. Ms. Hanning expressed agreement that those are health issues for children however, the role of the ICOC is to ensure funds that have already been spent were per the ballot measure and the governing board prioritizes the project list based on the ballot measure. There was discussion about the special water fountains being the type that can refill water bottles and the cost per station was about \$3,000-\$8,000. Dr. Potter explained other districts that have provided water bottles for these special fountains have the issue of being responsible for contamination and who is responsible for sanitizing the containers. Dr. Potter shared that all students have access to drinking water at regular water fountains. Lemon Grove School District doesn't provide containers; parents at other districts are questioning contamination. Mr. Loschen shared the governing board has discussed the special water stations and has not placed them as a top priority. Mr. Loschen would like to know if the HEAL Zone can provide additional funding to work with the district on supporting the high cost of installation. Ms. Nelson thinks the HEAL Zone may be able to, possibly, double the funds.

BOND AUDIT - Mr. Wilkinson presented the auditor's report through June 30, 2017. 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, 2017, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America." 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. 97% 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. Member Pettis asked how the auditor selects the percentage of expenditures tested. Auditors try for at least 85-95% of expenditures for good coverage and ended with 97%. Mr. Wilkinson added that there are added footnotes on the audit as information only with regards to the California Public Employees' Retirement System (CalPERS). This is required due to classified staff being paid for actual bond work performed. Dr. Potter added teachers and administrators are not included and are not paid with bond funds.

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

PROJECT UPDATE - Joanne Branch updated (see separate attachment): Vista La Mesa Academy and Monterey Heights Elementary – scoped areas of concern and partially replace sewer lines; Districtwide - reviewed existing project record drawings for each site, create comprehensive inventory of major building components, compile building system condition assessment and master plan; Districtwide – replaced phone system to transition fully to Voice Over Internet Protocol (VOIP) and replace handsets as needed to complete transition to VOIP; Palm, Mount Vernon, San Miguel Elementary - replaced photovoltaic systems at all three sites and punch list is being finalized; Districtwide – networking equipment upgraded/replaced; Central Kitchen – cancelled due to cost being much higher than anticipated to outsource as well as fire safety issues to have offices in the kitchen.

Dr. Potter updated members the ribbon cutting ceremony for the photovoltaic systems is upcoming and a time has not been set as of yet. Mr. Loschen expressed that the governing board does not want to leave the solar panels unfinished to the next Board.

GENERAL OBLIGATION BONDS EXPENDITURE REPORT – Dr. Potter shared there will be one more additional cost to the total cost of the photovoltaic systems of \$400,000 in the future for end of life demolition. Ms. Branch cautioned that today the cost for end of life demolition is \$400,000 however, in 20-25 years the cost will most likely be significantly more. The Lemon Grove Academy turf project and the districtwide phone replacement came in right at cost with no change orders.

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

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

FUTURE MEETING – Wednesday, April 25, 2018 at 5 p.m. at Lemon Grove School District – District Office – 8025 Lincoln Street, Lemon Grove, California

ITEM(S) FOR SUBSEQUENT MEETING - None

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

Meeting was adjourned at 6:03 p.m.

Chair

Account Technician

Lemon Grove School District
Official Minutes of the Independent Citizens' Oversight Committee Meeting – April 25, 2018
Lemon Grove School District – District Office (Board Room)
8025 Lincoln Street, Lemon Grove, CA 91945

Meeting convened in Open Session at 5:05 P.M.

Committee Members Present: Demaree, Hanning, Pettis, Shaw
Committee Members Absent: Baber, Gonyea, Miller, Selby
Official Board Representative: Larry Loschen
Staff Members Present: Balakian, Berman, Flores
No members of the public were present

MINUTES – At the request of members present, after waiting until 5:30 p.m., the meeting was cancelled due to lack of a quorum. It was further agreed by the members present for a Special Meeting to be held May 2, 2018 at 5 p.m.

Meeting was adjourned at 5:35 p.m.

Chair

Account Technician

**LEMON GROVE SCHOOL DISTRICT
PROPOSITION W AND MEASURE R BOND OVERSIGHT COMMITTEE
ANNUAL REPORT
May 8, 2018**

On November 4, 2008 voters of the Lemon Grove School District (District) approved ballot Proposition W (Prop W), authorizing the issuance of general obligation bonds in the amount of \$28,000,000; additionally on November 4, 2014, voters approved ballot Measure R reauthorization of remaining balance of \$10,000,000.

Bond Oversight Committee:

In accordance with state law, the Lemon Grove School Board shall establish an Independent Citizens' Oversight Committee (ICOC) pursuant to Education Code section 15278. Prop W and Measure R further specifies that the function of the ICOC is to ensure that bond proceeds are expended only on the school facilities projects listed in the ballot measures. The District's ICOC Bylaws, Section 3, states that the Committee is to inform the public at least three times per year concerning the expenditure of bond proceeds: 3.1 (a) ensure that bond revenues are expended only for the purposes described in Article 13A, Section a(b)(3) of the California Constitution including the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for schools; and (b) ensure that, as prohibited by Article 13A, Section a(b)(3)(A) of the California Constitution, no funds are used for any teacher and administrative salaries or other school operating expenses.

Purpose of the Bonds:

The specific purpose of the bonds is set forth in Exhibit A of the ballot measures. Exhibit A lists the District schools and specifies the items to include the following list; they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects:

Proposition W – Ballot Measure:

- Repair and/or replace old and deteriorating plumbing and sewer systems
- Construct science/technology labs
- Modernize relocatable classrooms
- Install new heating and air conditioning systems in District facilities, including auditoriums and multi-purpose rooms
- Upgrade and expand health and fitness facilities at Lemon Grove and Palm Middle Schools, including new fitness centers and locker rooms
- Make maintenance and infrastructure improvements throughout the District
- Make handicap accessibility (ADA) upgrades and improvements throughout the District, including restrooms, classrooms, and playgrounds
- Convert Lemon Grove Middle School into a magnet school specializing in programs such as science, technology, engineering, and math
- Construct a joint-use library/media center for school and community use

Proposition W – Ballot Measure Continued:

- Reconfigure existing school sites to accommodate new programs
- Install shade structures at the elementary and middle school campuses
- Upgrade playground equipment at elementary schools
- Enhance safety and security at the elementary and middle school campuses
- Acquire the following property which has been leased by the District: (a) improvements made to modernize Vista La Mesa Elementary School from the proceeds of 1996 Certificates of Participation; and (b) solar energy projects which were previously acquired, constructed, and installed at Palm Middle School, Mount Vernon Elementary School, and San Miguel Elementary School

Measure R – Ballot Measure:

- Repair and/or replace leaky roofs
- Repair and/or replace old and deteriorating plumbing and sewer systems
- Modernize and/or add relocatable/permanent classrooms; overcrowding relief
- Install new heating and air conditioning systems in District facilities, including auditoriums and multi-purpose rooms
- Upgrade and expand health and fitness facilities
- Replace failing and cracked asphalt in areas such as, but not limited to parking lots and playground areas
- Make maintenance and infrastructure improvements throughout the District
- Make handicap accessibility (ADA) upgrades and improvements throughout the District, including restrooms, classrooms, and playgrounds
- Reconfigure existing school sites to accommodate new programs (i.e. expand Mount Vernon dual immersion program to middle grades, creation of fine arts academy)
- Install and repair shade structures at the elementary and middle school campuses
- Upgrade playground equipment and/or playground fields
- Enhance safety and security district wide
- Repair and maintain existing solar energy photovoltaic systems at three schools

Additional Technology Equipment and Projects:

Devices and Technology Systems

- Desktop computers, tablets, tablet PCs and peripheral hardware
- Interactive classroom technology tools
- Data backup and disaster recovery technologies
- Classroom and district wide security system hardware

Software

- Educational and academic technologies
- Student assessment tracking solutions
- Telecommunications software and equipment

Infrastructure

- Capital technology projects including but not limited to the wiring of data centers, classrooms, and school facilities

PROJECTS UPDATE THROUGH APRIL 2018

Districtwide: Fiber optic cabling upgrading from CAT-5 to CAT-6 completed and networking equipment upgraded/replaced. Solar energy photovoltaic systems complete with punch list work being finalized at three sites. Building condition assessment at all sites underway. Phone system replacement to transition fully to voice over internet protocol (VOIP) completed. Colbi Account-Ability annual software licensing for project cost accounting. Other bond expenditures including legal fees, financial advisor fees, and limited District staff costs for specifically Bond support (accounting, clerical, and maintenance staff work on projects).

Lemon Grove Academy (Middle): Modernization of audio/visual system and replacement of six storm damaged umbrellas. Lemon Grove Academy (Elementary): Renovated turf field for safe play. Vista La Mesa Academy and Monterey Heights Elementary: Partial sewer replacement and modernize domestic water. Vista La Mesa Academy: Safety and security cabinetry work in front office to ensure single point of entry. San Altos Elementary and San Miguel Elementary: Installation of promethean boards. Mount Vernon Dual Immersion: Parking lot reconfiguration with barriers preventing weekend and evening safety issues.

Conclusion:

Based on the ICOC's review of the annual fiscal and performance audit March 22, 2018, prepared by Wilkinson, Hadley, King & Co., LLP, the ICOC finds that the District is in compliance with the legal requirements under Education Code 15278 and Article 13A, Section 1(b)(3) of the California Constitution, namely, that the District has only expended Prop W and Measure R funds in accordance with Article 13A, Section 1(b)(3) and not for any other purpose, including teacher and administrator salaries (unrelated to Prop W and Measure R) and other school operating expenses. Furthermore, no exceptions were noted on Prop W and Measure R bond proceeds.

PLACE PHOTOGRAPH OF CURRENT ICOC MEMBERS HERE