

LEMON GROVE SCHOOL DISTRICT

Meeting of the Independent Citizens' Oversight Committee – September 20, 2017 at 5 p.m.

Lemon Grove Academy (Middle) - Administration Office - Training Room

7866 Lincoln Street, Lemon Grove, CA 91945

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1. OPENING FUNCTIONS

- a. Call to Order
- b. Pledge of Allegiance
- c. Approval of Agenda
- d. Approval of the Minutes of the meeting of April 19, 2017 (pp. 2-4)

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. INTRODUCTION OF NEW SUPERINTENDENT (Loschen)

Information

4. PROJECTS UPDATE (Branch)

Information

5. PROPOSITION W AND MEASURE R GENERAL OBLIGATION BOND EXPENDITURE REPORT (Flores) (pp. 5-10)

Action

6. 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 (Potter)

Information

7. 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 (Potter)

Information

8. ADJOURNMENT

Action

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

Budget vs. Commitments and Expenditures

Project Name	Budget	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
(10W) CK - CNS Central Kitchen	1,183,000	1,160,863	98.1%	22,137	1,160,863	98.1%
(10W) Districtwide - Promethean Boards	69,000	54,250	78.6%	14,749	55,235	80.1%
(10W) Districtwide - Reconfiguration	7,534	7,534	100.0%	-	7,534	100.0%
(10W) Districtwide - Wireless Infrastructure	1,439,000	1,435,113	99.7%	3,887	1,435,113	99.7%
(10W) LGA - LGA DG Track	546,471	546,471	100.0%	-	546,471	100.0%
(10W) LGMS - Dental Clinic	35,000	34,410	98.3%	590	34,410	98.3%
(10W) LGMS - Network Electronics	47,890	40,941	85.5%	6,949	38,648	80.7%
(10W) MV - Dual Immersion MS Expansion	129,388	129,387	100.0%	1	129,387	100.0%
(10W) VLMA - Athletic Field	319,540	319,539	100.0%	1	319,539	100.0%
(10W) VLMA - Locker Rooms/Front Office	63,383	63,383	100.0%	0	63,383	100.0%
(11R) Districtwide - Playground Equipment	50,000	48,869	97.7%	1,131	48,869	97.7%
(11W) Districtwide - DW Shade Structures	20,000	19,996	100.0%	4	19,996	100.0%
(12W) Districtwide - Playground Equipment	791,718	791,136	99.9%	582	788,548	99.6%
(13R) Districtwide - Existing Solar Energy Photovoltaic Systems	560,000	560,000	100.0%	-	560,000	100.0%
(13W) Districtwide - Safety & Security (Gates,Fences,School Office Entr	472,141	470,187	99.6%	1,954	470,187	99.6%
(13W) Districtwide - Safety/Security Communications	6,991	6,991	100.0%	-	6,991	100.0%
(13W) Districtwide - Safety/Security Phone System Upgrade	83,885	82,158	97.9%	1,727	82,158	97.9%
(13W) GA - Safety/Security Fence	13,000	13,000	100.0%	-	13,000	100.0%
(13W) MV - Safety/Security Fence	14,979	14,979	100.0%	-	14,979	100.0%
(13W) SA - Safety/Security Playground	21,433	21,433	100.0%	-	21,433	100.0%
(13W) VLMA - Safety/Security Fence	4,074	4,074	100.0%	-	4,074	100.0%
(14W) COPs/Solar - Debt Repayment	4,263,259	4,263,259	100.0%	-	4,263,259	100.0%
(1R) Districtwide - Roofing	500,000	500,000	100.0%	-	500,000	100.0%
(1W) Districtwide - Plumbing Infrastructure	8,747	8,747	100.0%	0	8,747	100.0%
(1W) VLMA - Domestic Water System	389,000	380,374	97.8%	8,626	380,374	97.8%
(2-ET) Districtwide - Software	50,000	42,282	84.6%	7,718	42,282	84.6%
(2R) VLMA - Plumbing Infrastructure	750,000	750,000	100.0%	-	750,000	100.0%
(3-ET) Districtwide - Fiber Optic Cabling	115,000	113,865	99.0%	1,135	113,865	99.0%
(5W) Palm MS - Locker Rooms	40,311	40,311	100.0%	0	40,311	100.0%
(6R) Districtwide - Asphalt/Safety	250,000	250,000	100.0%	-	250,000	100.0%
(6W) Districtwide - DSA Closeout	25,000	4,078	16.3%	20,922	4,078	16.3%
(6W) GA - Fire Hydrant	42,397	42,397	100.0%	-	42,397	100.0%
(6W) MH - Window Systems	100,000	80,000	80.0%	20,000	80,000	80.0%
(6W) VLMA - Playground Paving	6,915	6,915	100.0%	-	6,915	100.0%
(7R) Districtwide - Safety & Security/ADA	250,000	-	0.0%	250,000	-	0.0%
(7W) Districtwide - ADA Upgrades	540,450	487,052	90.1%	53,399	487,052	90.1%
(8-9W/9R) Lemon Grove MS - STEM Conversion/Joint-Use Library	11,312,374	11,202,645	99.0%	109,730	11,202,645	99.0%
Measure R - Bond Management R	5,552,511	-	0.0%	5,552,511	-	0.0%
Measure R - Bond Management R EdTech	1,800,237	-	0.0%	1,800,237	-	0.0%
Prop W - Bond Issuance Expenses	739,624	739,624	100.0%	-	739,624	100.0%
Prop W - Bond Management W	1,531,349	608,969	39.8%	922,381	577,239	37.7%
Prop W/Meas R Districtwide - Long Range Facility Master Plan	51,000	42,520	83.4%	8,481	42,520	83.4%
Totals	34,196,602	25,387,752	74.2%	8,808,850	25,352,126	74.1%

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School District: Lemon Grove School District	County: San Diego	Project Number: 602	Report Period: 3/1/2017 - 8/31/2017
		Project Name: (2-RET) Districtwide - Software (602 Software)	

Project Warrant Report (SAB 184a)

Date	Payee	Warrant Number	Fund Code	Object Code	Site (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose
04/26/17	Black Box Network Services	14252785	21-33	6200-076			42,282.19				Software 12-month Annual Maintenance, Support and Service Contract
Totals					-	-	42,282.19	-	-	-	Total Project Costs: 42,282.19

School District: Lemon Grove School District		County: San Diego		Project Number: 603		Report Period: 3/1/2017 - 8/31/2017					
Project Warrant Report (SAB 184a)		Project Name: (3-RET) Districtwide - Fiber Optic Cabling (603 DW Fiber Optic Cabling)									
Date	Payee	Warrant Number	Fund Code	Object Code	Site (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose
06/30/17	World Bridge Technologies, Inc	14289369	21-33	6200-050		13,865.00					Bid # 2015-16-00IT Project: Fiber Optic Backbone-Part 1
Totals						13,865.00	-	-	-	-	Total Project Costs: 13,865.00

School District:		Lemon Grove School District		County:		San Diego		Project Number:		905		Report Period: 3/1/2017 - 8/31/2017	
Project Warrant Report (SAB 1849)		Lemon Grove School District		Project Name:		(8-9W/9R) Lemon Grove MS - STEM Conversion/		Joint-Use Library (905 STEM/Library)					
Date	Payee	Warrant Number	Fund Code	Object Code	Site (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose		
06/30/17	Dave Bang Associates, Inc.	14290687Accr	21-39	6200-076			2,455.53				LGAM Quad - 6 Replacement umbrellas damaged by storm		
04/28/17	Arenson Office Furniture	14252783	21-39	6400-000						2,410.58	8 Board Meeting chairs for LG Library community room		
Totals													4,866.11
Total Project Costs:													4,866.11

School District:		County:		Project Number:		Report Period:					
Lemon Grove School District		San Diego		922		3/1/2017 - 8/31/2017					
Project Warrant Report (SAB 184s)		Project Name:		(13W) Districtwide - Safety & Security (Gates, Fences, School Office Entr (922 DW Security)							
Date	Payee	Warrant Number	Fund Code	Object Code	Silo (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose
03/13/17	Stephenson Custom Woodworks, Inc.	14234999	21-39	6200-076			4,165.00				VLMA School office safety/security improvements and reconfigurations
05/03/17	Legend Fence Corp.	14254769	21-39	6200-076			8,391.00				MV Parking lot entrance and exit double-barrier gates
Totals					-	-	12,556.00	-	-	-	Total Project Costs:
											12,556.00

School District: Lemon Grove School District			County: San Diego		Project Number: Project Name: Prop W - Bond Management W					Report Period: 3/1/2017 - 8/31/2017	
Project Warrant Report (SAB 184a)											
Date	Payee	Warrant Number	Fund Code	Object Code	Site (A)	Planning (B)	Construction (C)	Testing (D)	Inspection (E)	Furn' & Equip' (F)	Description / Purpose
03/31/17	Lemon Grove School District	Mar 2017 W	21-39	6200-050		2,103.33					March 2017 Account/Bond Clerks
04/30/17	Lemon Grove School District	Apr 2017 W	21-39	6200-050		2,102.08					April 2017 Account/Bond Clerks
05/31/17	Lemon Grove School District	May 2017 W	21-39	6200-050		2,077.10					May 2017 Account/Bond Clerks
06/01/17	Best, Best & Krieger LLP	14270326	21-39	6200-050		1,470.04					Legal services rendered through April 30, 2017
06/06/17	Dale Scott & Company	14269050	21-39	6200-050		5,420.00					Financial Advisor Fee Annual Report for General Obligation Bonds
06/30/17	Lemon Grove School District	June 2017 W	21-39	6200-050		2,041.10					June 2017 Account/Bond Clerks
07/31/17	Lemon Grove School District	July 2017 W	21-39	6200-050		1,835.16					July 2017 Account/Bond Clerks
08/22/17	San Diego County Superintendent of Schools	14298104	21-39	6200-050		5,250.00					Colbi Account-Ability Software Licensing 2017
08/31/17	Lemon Grove School District	Aug 2017 W	21-39	6200-050		1,818.90					August 2017 Account/Bond Clerks
Totals					-	24,117.71	-	-	-	-	Total Project Costs: 24,117.71