

Lemon Grove School District

Official Minutes of the Independent Citizens' Oversight Committee Meeting – March 22, 2017

District Office - 8025 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, Demaree, Hanning, Miller, Pettis, Selby, Shaw

Committee Members Absent: Gonyea

Official Board Representative: Larry Loschen

Staff Members Present: Bidnick, Flores

Attorney Present: Dorward

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

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

MINUTES - It was moved by Miller and seconded by Selby to approve the Minutes for the meeting of September 22, 2016 as presented. The motion was called for with the following results: Ayes – Baber, Demaree, Hanning, Miller, Pettis, Selby, Shaw; Nays – none; Absent – Gonyea. The motion carried.

HEARING OF CITIZENS FOR ITEMS NOT ON THE AGENDA – None

BOND AUDIT BY WILKINSON, HADLEY, KING & CO. LLC – Member Pettis introduced Bob Wilkinson of Wilkinson Hadley King, LLC. Mr. Wilkinson presented the auditor's report through June 30, 2016. 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, 2016, 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. 91 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. Member Pettis asked how the auditor selects the percentage of expenditures tested. Mr. Wilkinson explained, they begin with 80% then select additional auditable expenditures which took them well over what they're required to audit; the auditors try for at least 85% of expenditures for good coverage and ended with 91%. Mr. Wilkinson added that members will see something new on the audit as information only with regards to the California Public Employees' Retirement System (CalPERS). This is required due to a small portion of classified staff paid for actual bond work performed. Member Baber discussed clarification between Certificated and Classified staff; Certificated being teachers and Classified as bond accounting and the District's Facilities, Maintenance, Operations staff for the purpose of the audit.

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

PROJECT UPDATES – A report of construction projects was presented by the San Diego County Office of Education Facilities Joint Powers Authority (SDCOE FACJPA) Project Manager Lance Bidnick. Mr. Bidnick reported that with the help of Facilities, Maintenance, Operation, Transportation department (FMOT) and the Deputy Superintendent, quite a bit of work was accomplished over the summer using both bond project and deferred maintenance funds.

PROJECT UPDATES CONTINUED - The projects discussed by Mr. Bidnick included re-roofing at Monterey Heights Elementary (MH), Vista La Mesa Academy (VLMA), Mount Vernon Dual Immersion (MV) and San Miguel (SM); sewer replacement at Lemon Grove Academy Elementary (LGAE) and San Altos Elementary (SA); paving projects at MH, MV, SA, SM and LGAE; LGA STEM auditorium modernization; District Office remodel; lighting and HVAC projects at SA, SM and MV; solar replacement projects; plumbing repairs at MH - more extensive replacement over summer 2017; and modernization of domestic water at multiple sites. Solar replacement is ongoing – should have updated information from the next Governing Board meetings. The district is currently working with E-Rate technology program on eligible grant funding and vendor on schools voice over information technology. Legal council Ty Dorward stated E-Rate is a federally funded program mechanism; 1 category is based on free and reduced meal eligibility and the other category is for services.

GENERAL OBLIGATION BONDS EXPENDITURE REPORT – Member questioned the \$500,000 wired to SDCOE FACJPA. Mr. Bidnick mentioned options for solar replacement were presented to the Governing Board. One option was a Power Purchase Agreement (PPA); the advantage would be no money out of pocket for the district. Board Member Larry Loschen shared if PPA is used the solar company would take care of solar units at the end of the life cycle not leaving responsibility to the district after 20 years. However, the PPA doesn't want to demolish the existing units therefore the district set some money aside for demolition; no money has been spent to date. Member Pettis asked how long the ICOC would continue to meet. Mr. Dorward and Mr. Loschen mentioned there are more series of bond funds to be issued. When all bond funds are expended the committees work is done. Board Member Loschen believes the next issuance of funds will be presented at one of the upcoming Governing Board meetings and noted the Governing Board meetings have been changed to once a month.

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

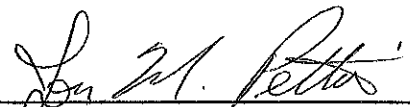
ANNUAL REPORT – It was moved by Selby and seconded by Demaree for Member Pettis and Member Miller to prepare the annual report. The motion was called for with the following results: Ayes – Baber, Demaree, Hanning, Miller, Pettis, Selby, Shaw; Nays – none; Absent – Gonyea. The motion carried.


FUTURE MEETING – Wednesday, April 19, 2017 at 5 p.m. at Lemon Grove Academy (Middle) – Training Room – 7866 Lincoln Street, Lemon Grove, California

ITEM(S) FOR SUBSEQUENT MEETING - None

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

Meeting was adjourned at 5:41 p.m.



 Chair


 Account Technician