

SANTEE SCHOOL DISTRICT
SPECIAL MEETING
OF THE BOARD OF EDUCATION

November 14, 2006
MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

A. OPENING PROCEDURES

1. Call to Order and Welcome

President Ryan called the meeting to order at 6:05 p.m.

Members present:

Barbara Ryan, President
Allen Carlisle, Vice President
Dan Bartholomew, Clerk
Dianne El-Hajj, Member
Dustin Burns, Member

Administration present:

Dr. Lisbeth Johnson, Superintendent and Secretary to the Board
Bill Clark, Assistant Superintendent, Business Services
Emily Andrade, Assistant Superintendent, Educational Services
John Tofflemire, Assistant Superintendent, Human Resources
Linda Vail, Executive Assistant and Recording Secretary

B. PUBLIC COMMUNICATION

President Ryan invited members of the audience to address the Board about any item on the agenda. There were no public comments.

C. DISCUSSION AND/OR ACTION

1. BUDGET WORKSHOP

a. Financial Report Summary

1. Expenditure Summary and Report Information
2. First Interim Report

Bill Clark, Assistant Superintendent of Business Services, presented the current expenditure summary. He also shared the County's positive feedback on the First Interim Report. He shared the continuing effort to collect mandated costs and that 85% of the state reimbursement request is being held in reserve. Mr. Clark shared a revenue summary, expenditure summary, enrollment and attendance summary, and budget glossary terms.

Mr. Clark shared the 2006-07 budget initiatives that administration would like to continue to investigate:

- Program restorations
- Combination classes
- New state revenues
- Mandated Costs
- Capital Acquisition and Replacement

b. Enrollment and Demographic Study

Cathy Dominico, a consultant from Capitol Public Finance, shared information about projected developments in the community which will change the enrollment trend. Three large development projects that are looking for completion in about 5 years could increase our enrollment by about 1,600 students. She suggested that the District may need to consider realigning boundaries in the future to accommodate students at our existing school sites.

c. Multi-Year Planning

Mr. Clark reported that the District is in phase IV and V of the Phase-in Multi-Year Plan. He shared the ending reserve allocation and reported that the District will maintain the required State reserves and restore the operating reserve.

d. Major Initiatives

Mr. Clark reported that the major initiatives for the upcoming year are:

- Employee Compensation
- ADA Compliance
- Standardized Instructional Time
- Combination Classes-May need up to \$300,000 next year for combination classes. Class size reduction penalties may need to be addressed and administration will bring a recommendation in January.
- Districtwide Technology Initiative-Administration will bring a recommendation on December 5.
- Facilities Modernization
- Staff Development

e. Organizing for Modernization

Mr. Clark and Cathy Dominico, presented information on the preparations for modernization with the passage of Prop R. Mr. Clark presented the general timeline for moving forward for the organization of the modernization projects. It will take more than six months to process the paperwork through the State to receive approval and matching funds. He shared that administration will be bringing recommendations to the Board regarding management of the construction projects. There was discussion about hiring a consultant versus a director to manage the facility modernization projects. The Board and administration agree that community communication is imperative. The community wants to see what they are paying for and know what the progress is. Updated information should be provided as progression occurs. A bond update newsletter was suggested. It was agreed that information would be communicated through the website, a newsletter, a community forum, and parent link as deemed appropriate. Member El-Hajj said maybe the Superintendent could write some questions the community might ask and the Board would discuss responses in the future.

The timeline for the beginning process is:

- Design Approval-April
- Schematic Design-May

Ms. Dominico shared the process and timeline to apply for State matching funds. Funds are approved on a project-by-project basis therefore, total funding is not received at once. There is an 18 month window to complete each project and submit expenditure reports. Board members discussed the financial impact on joint use agreements and developer fees. If developers choose Mello Roos, the District would issue Mello Roos bonds to procure the funds that would be paid over 30 years through Mello Roos taxes. Mr. Clark shared that administration is also looking into a Level 2 fee, which would require the developers to pay a little more than the lowest limits. Long term and multi-year demographic reports were presented.

Bond Issuance- Bonds should be issued six months prior to the tax payments. Money is received as soon as bonds are issued. Bonds are best if issued approximately every two years.

Underwriter Agreement-An underwriter will need to be secured to provide up-front funding. An agreement will be presented in the next Board packet.

Tax Rate Limitations-Tax bills will reflect the new assessed tax rate in December, 2007.

Fund Set-up-Bond funds are put into a separate account and there may be a need to have an accountant to oversee this budget.

Short term Borrowing Strategy- The District will need to pay for some expenses prior to receiving the first funds. The options are to borrow short-term from a bank, or borrow from ourselves. Borrowing from ourselves is a better option because there is no interest and it would be paid back before the books were closed for the year. To do this, the Board would need to adopt a resolution to assure payment for qualified facilities projects and to be repaid when the bonds are issued. The Board would like to have the resolution for self loaning to come for adoption as soon as possible.

Asset Management Evaluation

- Evaluate changing regional economics periodically,
- Evaluate local restrictions on property, and
- Evaluate current District financial condition.

A committee can be formed to establish an asset management strategy.

Citizen's Oversight Committee –The committee must have a minimum of 7 members. Must have at least one of each:

- Active business organization member
- Senior citizen organization member
- Bona Fide Tax Payer Association member
- Parent or Guardian of a student enrolled in the District
- PTA member

Board members have the discretion to establish additional committee members and criteria.

Operational Requirements

- State Application Process
- Construction Delivery Method-Options are: Design/Bid/Build, Lease/Leaseback, Design/Build, and Construction Management models. A construction manager could be hired to oversee the projects. Administration highly recommends a construction manager because it can save a great deal of money. A manager assures you get a guaranteed price for a guaranteed product. Board members asked if it is necessary to go out to bid for the modernization projects. Mr. Clark said that it is not necessary to go out to bid but could issue RFPs.
- Architectural Agreement
- Communication- Must have communication to the public, such as a web site and newsletter.
- Project Management

f. BAC Committee Direction-

Budget reduction target areas:

- \$200,000 contribution programs
- \$250,000 Utilities and Operations
- \$275,000 Debit Repayments
- \$150,000 Centralized Services
- \$200,000 Staffing Efficiencies
- \$75,000 interest earning and other

g. Other Planning Areas

1. GASB 45
2. Other

Member Bartholomew would like to know a more accurate number of GASB. Administration will provide a chart analysis on all employees.

President Ryan asked why the District continues to pay cash towards benefits of retired employees. Mr. Tofflemire said that this could be discussed in negotiations but is less costly than providing the benefit payment if the employee opted for coverage.

Member Carlisle asked what capacity the facilities committee plays in the modernization and preventive maintenance program for the District. Dr. Johnson said that all committees are only in an advisory capacity and may make recommendations to the Board, but committees have no decision making power.

h. Additional Comments and Questions

Administration will work with the Board to provide a message to the community on modernization.

2. DATE AND PARAMETERS FOR SELF-EVALUATION

a. Discussion of Outcomes

Dr. Johnson presented research on facilitators for the Board Self Evaluation process. Ron Bennett, from School Services was probably the most available and affordable at \$190 per hour, plus expenses. The total needed would be between \$1,500 to \$3,000 to plan for a consultant. The purpose of having a consultant as a facilitator is to have a neutral person to work with the Board on the Self Evaluation process.

Member El-Hajj said that having been through the process many times, it is much more productive to have a facilitator. Member Burns agrees. Member Bartholomew does not believe a facilitator is necessary and he had offered to facilitate the process. Member Carlisle would like more information before making a decision. President Ryan believes that with the type of conversation that may take place, it would be difficult to have a Board member be the facilitator. Member Carlisle believes that the Board needs to be able to function effectively as a board to govern the district and service the kids. He asked what the outcomes would be and if the Board would be better off. Member El-Hajj said in the past it has been very productive with a volatile Board and created a Board that could work together. The process also developed the We Agree Statements. Member Carlisle was unsure if facilitators are generally used with an elected body. President Ryan said it is done often. Member Bartholomew was concerned about spending the money for a facilitator and offered to pay his share of the cost. President Ryan and Member El-Hajj believe it is a legitimate leadership expense and paying is a personal choice.

The majority of the Board members agreed to schedule a date and hire Ron Bennett as a facilitator for the self evaluation process at a cost not to exceed \$2,200. Members Carlisle and Bartholomew were not in agreement with the decision. The meeting date was scheduled for Wednesday, December 13, 2006 at 5:30 p.m.

D. CLOSED SESSION

President Ryan announced that the Board would meet in closed session for:

1. Conference with Labor Negotiator (Govt. Code § 54956.8)
Agency Negotiator: John Tofflemire, Assistant Superintendent, Human Resources
Employee Organizations: Santee Teachers Association (STA)

The Board entered closed session at 10:45 p.m.

E. RECONVENE TO PUBLIC SESSION/ ADJOURNMENT

The Board reconvened to public session at 11:30 p.m. No action was reported. The November 14, 2006 special meeting adjourned at 11:32 p.m.