

SAN MARCOS UNIFIED SCHOOL DISTRICT
CITIZENS' OVERSIGHT COMMITTEE (COC)
255 Pico Avenue, Suite 250
San Marcos, CA 92069

MINUTES
October 17, 2013
6:00 p.m.

These minutes are a summary of discussion or action taken by the Citizens' Oversight Committee. The minutes and the audio from the meetings are posted on the District's website at www.smusd.org

1.0 CALL TO ORDER

Meeting called to order by Chair Jean Diaz at 6:01 p.m.

2.0 ROLL CALL

Present: Jean Diaz, Michael Hunsaker, Teresa Greger, Stacy Carlson, Jenna Harris, Tom Kumura, Darius Khayat, and Robert Bowen

Absent: David Barnum

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Tom Kumura

4.0 APPROVAL OF MINUTES

Discussion to amend the minutes to show the discussion regarding the use of Prop K funds in the Spring/Summer of 2012 for the amount of \$136,603. The committee had not known of these expenditures for the projects mentioned. Gary stated he would double check the figures and funding sources and get back to the committee. Mike Hunsake would like to see Tranche by Tranche Study of past Bond sales.

Moved by Mike Hunsaker to approve amended minutes and seconded by Tom Kumura. Motion carried

AYES: Diaz, Hunsaker, Greger, Harris, Kumura, Carlson, Bowen & Khayat
ABSTAIN: None

5.0 PUBLIC COMMENTS

Becky Sparks would like everyone to keep a watch full eye on Proposition 13

6.0 FINANCING PLAN WITH UPDATE FROM STAFF/BOARD

Jean requested that this item be moved up on the agenda from 7.0 to 6.0. Jean welcomed Randy Walton from our Board. The Board has had a couple of meeting and discussion on the remaining Prop K bonds authorization amounts. Randy Walton spoke regarding the School Board having to make a decision on issuing Series C. Randy will have discussion with various groups and the Board will be sending out a mailer to residents. The Board wants to be completely transparent. The District has \$80 million remaining authorization under Proposition K to sell. Randy went over his handout with the COC members. Shared with the committee what Poway School District had done with their CAB's. Jean shared his research and added to the background on Proposition K and shared with the committee that the CAB's were listed in the original document. Mike Hunsaker added that the financial advisor for Poway was Dolinka. Tom stated that the reason in his mind was that Poway had done something more aggressive than any other school district. Gary shared with the committee that Dolinka only does what is requested by his customers. Not all the Bonds sold are 40 year notes and the short term Bond money could be used for computer equipment. Tom disagrees. Discussion continued among the members regarding this issue. Randy continued his discussion and assured members that this board would not use this money on short term items like ipads. Randy went over the Preliminary Modeling Dated 6/21/10. Shared that the Legislative Bill 182 that was passed two weeks ago. We are taking all the information and trying to best fulfill the promise that we made to the voters. Randy explained all the options with the committee. He shared with the committee that he felt that we should move forward by raising the rate to \$60 now, because interest rates are low and construction costs will continue to rise if we wait for 10 more years.

Randy asked the committee for any thoughts or question. Jean shared his perspective. Mike discussed his concerns about the promised rate of \$44. Believes we should go to \$60, but we need to have some validation from the citizens. Gary clarified the gap that Mike was discussing with the members. Discussion continued between members and Randy Walton. If we decide to raise rate then we need to make sure that the public knows. Randy assured the members that the Board will mail out the information to residents.

7.0 CAB's

This item was covered under the Financing plan with Update from staff/Board. Mike stated he has new material he wants to look over. Still have some concerns about the assumptions. Discussion continued with members regarding CAB's.

8.0 STAFF REPORTS

Khary gave a presentation on programs and use of Prop K funds on all projects and will provide clarification on concerns from the last meeting. Technology Infrastructure Projects (\$20 million) and Woodland Park Middle School. Request to get a copy of the report to the members once it is complete and shared with the Board. Working on getting the priority list updated. SMHS same scope of work and still on schedule. Technology Infrastructure upgrades, mentioned previously the stretching of dollars. E-Rate is a Federal grant to help us stretch the dollars. Khary explained the different phases. We are also preparing for Common Core. Described the technology infrastructure and funding. We will do the minimum on sites that may be rebuilt. No Prop K dollars were spent on San Marcos Elementary. Committee wants to make sure the auditors are testing all expenditures and they want to make sure that expenditures are listed on the report that they receive.

Khary continued his presentation. Gary mentioned to the committee that we are going out to bid for 5 wells. Khary explained the Prop 39 program funds that are to be used for energy upgrades. Khary ended his presentation with an overview of project budgets. Question asked by member about how expenditures are paid? Kathy explained that they are paid monthly. We also have an auditor looking at the invoices to make sure they are following the contracts.

Kathy Tanner gave a presentation on the status at San Marcos High School as of September 30, 2013. Gym and the Applied Arts buildings have been turned over to the school. Students are attending school in those buildings. Have full use of the stadium and concession on both sides. Central plant and Maintenance building are in full operation. Building A and Administration building are coming right along, as is the Theater. The Courtyard could be planted by the 1st of December. Festival court will be done by January 13th. Fencing will be out front because we need to complete the rest of the fields and parking. We are on schedule at this point in time. Right turn lane is completed. The front loop will be complete, but will not be for everyone to use. Parking for January will stay the same and remain off site. She shared with the committee on how the parking would look in August, 2014. Parking has been a challenge because of the right turn lane that the city requested and because of the Native American Find. Looked at possibility of a parking structure and land to purchase. We have a new plan, put the softball field up next to the Native American area. Moved the tennis courts down below where the softball field would have gone. City will not take part of the softball field after all. Looking at around 700 parking places. Parking cost are about \$1.2 million. To do a parking structure it would have cost \$8 million for 260 parking spots.

Kathy shared with the members how we are planning to move in. We will start on December 20th. Final turnover is occurring on December 2nd. A lot of coordinating has been taking place for some time. The move into the Gym and Applies Arts building was great. We learned a lot at that time about moving during construction and know what we needed to do and improve upon.

We will start the exhaust setup for the Kiln installation on December 18th. It is a fantastic effort on part of the Business Services Department and the District. Relos will be gone by February 1st and regrading and field installation will begin in that area.

Kathy went over the budget for SMHS. Kathy went through the budget line by line and explained the items that were moved to the contingency line. Gary shared the split for the reserves that might be left in the contingency-Lusardi would get 20% and the District would get 80%.

Khary discussed budget for Woodland Park. He went over the handout with the members.

9.0 High School Tour

We scheduled a date to tour the site on Thursday, January 16, 2014 at 4:00 p.m. Kathy will confirm.

10.0 Technology Infrastructure

Members felt that this had been discussed in previous items.

11.0 Webpage & Facebook

Jean shared the status of Facebook and the Webpage. Made recommendations on what he would like to see. COC wants to make sure to get the message out to the citizens. COC would have access to make changes to the webpage. Spoke about having a separate URL and the cost would be about \$2,500 per year.

Tom Kumura would rather see the school get that money. Gary mentioned that he cannot use Prop K and would have to use the General Fund. Darius asked if the committee would be able to get their own URL and Gary said they could.

Darius shared the Facebook page created for the COC. Gives the ability to share what is going on in the District regarding Prop K. Very simple and make it easy to get to the COC webpage. Feedback was great.

12.0 Next Meeting Date

Next meeting on Thursday, January 16, 2014 at San Marcos High School at 4 p.m.

13.0 Comments from Committee Members

Jean had a comment about the audit. COC had three recommendations. One was that the scope of the performance audit be expanded to include an opinion the effectiveness of District internal controls, identification of deficiencies of internal controls and compliance as an objective of compliance. Gary shared that we have 3 year contracts with auditors. Gary will pull the audit and review.

Darius asked if we would be moving forward with the webpage and Facebook pages. Jean asked for a motion

Motion to move forward with Facebook page and Webpage was made by Mike Hunsaker and Seconded by Tom Kumura. Motion carried.

Tom Kumura thanked the staff for all the hard work to finish this project.

Mike Hunsaker when will the financing plan for the K-8 go before the Board. Gary we already have the funds for the school; Prop K funds will not be used for this project.

Jean Diaz summarized that he would prepare a draft message to SMUSD for the members to review and it would summarize the COC's consensus re: remaining financing under Prop K.

14.0 Adjournment

Jean Diaz adjourned the meeting at 8:50 p.m.

Date Minutes of October 17, 2013 Adopted:

Signature of Assistant Superintendent
Business Services:

11/16/14
