

**SANTEE SCHOOL DISTRICT  
SPECIAL MEETING  
OF THE BOARD OF EDUCATION**

**MINUTES  
October 26, 2010**

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

**A. OPENING PROCEDURES**

1. Call to Order and Welcome  
President Burns called the meeting to order at 6:05 p.m.  
Members present:  
Dustin Burns, President  
Barbara Ryan, Vice President  
Dan Bartholomew, Member  
Dianne El-Hajj, Member  
Members Absent:  
Allen Carlisle, Clerk  
Administration present:  
Dr. Pat Shaw, Superintendent and Secretary to the Board  
Karl Christensen, Assistant Superintendent, Business Services  
Minnie Malin, Assist Superintendent, Human Resources/Pupil Services  
Kristin Baranski, Director of Curriculum and Assessment  
Christina Becker, Director of Facilities and Maintenance (via teleconference)  
Linda Vail, Executive Assistant and Recording Secretary

**B. APPROVAL OF AGENDA**

It was moved and seconded to approve the agenda.

**Motion: El-Hajj Second: Ryan Vote: 4-0**

**C. PUBLIC COMMUNICATION**

During this time, citizens are invited to address the Board of Education about any item on this special meeting agenda. There were no comments.

**D. CONSENT ITEMS**

1. **Adoption of Resolution #1011-07 Opposing California State Proposition 19**  
Member Ryan moved to adopt resolution #1011-07 opposing California State Proposition 19.  
**Motion: Ryan Second: El-Hajj Vote: 4-0**

**E. BOARD WORKSHOP ON THE SANTEE SCHOOL DISTRICT CAPITAL IMPROVEMENT PROGRAM: DISCUSSION AND/OR ACTION ITEMS**

**1. Capital Improvement Program Update and Board Direction on Certain Funding Issues**

Karl Christensen provided an update on the Capital Improvement Program and various scenarios for initiation of modernization work as funding becomes available. There were three areas to discuss with the Board:

1. If the District should proceed with contracting for the joint use library tech buildings at PRIDE Academy and Sycamore Canyon to obtain partial state funding before the deadline of December 8, 2010,
2. If the District should proceed with applying for school construction bonds to maximize the available dollars so a limited amount of modernization work could be completed this summer, and
3. Begin discussion of consideration of the order of work to be done if funding becomes available.

Mr. Christensen provided reports showing the CIP expenditures through September 30, 2010; CIP Cash Flow and Remaining Commitments; State grant unfunded approvals and probable timing of funding. We are anticipating getting the facility hardship funds before the end of the year. The total remaining on the unfunded approval list to be allocated is \$35.1 million. The State would need to fund \$850 million in order

to be able to fund our projects and only has \$70 million to apportion in December. We don't know when the State will issue more bonds to be able to fund all unfunded projects.

He reported that the partial State funding for PRIDE Academy and Sycamore Canyon Joint Use Projects (Phase III work) will expire on December 8, 2010. Work must be contracted by that date, or the District will not be able to receive those dollars to help fund those two projects. There is also an additional dilemma regarding moving forward on these two projects and list of pros and cons was provided to the Board members. Mr. Christensen asked the Board if they wished to initiate a contract by the December 8<sup>th</sup> deadline, which would commit the District to a project that costs over \$4 million in order to receive state grant funds of \$900,000. There is no guarantee that these funds will be available in the future. If the Board decided to let these funds expire, Christina Becker can reapply in March 2011 but the District would need to find a partner that is on their approved list such as the City Parks and Recreation, the YMCA, or the Boys and Girls Club. She predicts the program will change in 2012 with modified rules.

### **GO Bonding Capacity and Scenarios for Expedited Issuance**

Karl Christensen shared ways the District could maximize funding for the Capital Improvement Program. There is \$18.9 million remaining authorization for GO bonds. A report was provided showing the assessed valuation growth over the past several years, an average of 7% annually. Going forward, the growth will not be this large. He provided an outline of the tax rate which showed the limit that is preventing us from issuing the remaining bonds at this time.

If State funds come in, our first priority is to pay off the existing BAN. Once this is paid off, we can issue a new BAN as a Qualified School Construction Bond, with zero net interest cost to us. After five years, we would need to issue a bond to pay the BAN off. There is a risk if the assessed valuation does not grow enough to issue the bonds and could cause a burden on the general fund.

### **CIP Sources and Uses and Possible Funding for Phase II Work**

Mr. Christensen provided an overview of the entire CIP program and a report showing the possibilities if the funding mentioned previously was possible, including estimates for the additional modernization, the joint use library/technology centers, and two new classroom additions planned at Hill Creek and Chet F. Harritt. With all of the projected modernization and construction, the District would be \$ 3.4 million short in funding, with the assumption that we will receive all of the GO bond funds. He shared combinations of projects that could be considered if funding becomes available to begin projects. We would need to receive \$15.9 million in State grant funds, in addition to the Go Bond funds and State hardship funds to do all of the projects, not including the two joint use library/tech centers at PRIDE Academy and Sycamore Canyon. There was some discussion about ways to provide students at PRIDE Academy and Sycamore Canyon with some of the same technology environment without the new buildings at this time. Mr. Christensen recommended to not contract for the two joint use projects at this time because it is a considerable cost that will be difficult to fit into the projected funding.

Board members discussed if they should move forward with the two joint use projects or release the encumbered joint use funds and reapply at a later date. Member Bartholomew said he believes that decisions should not be made to move forward impulsively and under pressure. Mr. Webb, from Trittipo Architecture, shared with the Board that other options, such as using modular pre-fabricated steel buildings, could allow the two joint use buildings to be completed at a much lower cost. Member El-Hajj is concerned about moving forward knowing the condition of Chet F. Harritt, PRIDE Academy, and Hill Creek and the need to modernize those schools. President Burns cannot support the two joint use buildings at this time because of the uncertainty at the State level. Board members concurred not to move forward with a contract for the two joint use library/tech buildings.

Board members would like to have additional information about modular buildings provided at a future meeting.

## **2. Adoption of Resolution #1011-08 Authorizing the Filing of an Application for \$15 Million in Qualified School Construction Bonds**

Mr. Christensen reported if a QSCB was issued as a BAN and the original BAN was paid off, it would be possible to do a selected combination from the provided list, totaling about \$9 million. Submitting the application just reserves the spot for us and does not commit the District to anything. He recommended moving forward in order to reserve the funds in the event that grant funds are received to complete a couple of modernization projects during the summer months. Member Ryan moved to authorize an

application for \$15 million in Qualified School Construction Bonds. Member Bartholomew wanted to assure that this item just allows the District to move forward to apply and does not hold us to obtaining the funds if approved. He is supportive to move forward with the application but is not certain he would support the additional debt if the application is approved. President Burns is not in favor of additional long-term debt at this time but will support the application process only.

**Motion:**        **Ryan**                      **Second:**        **El-Hajj**                      **Vote:**    **4-0**

**E.        CLOSED SESSION**

President Burns reported the Board would meet in closed session for:

1.        **Conference with Legal Counsel-Existing Litigation**  
          *(Subdivision (a) of Gov't Code §54956.9)*  
          *Case # 37-2009-00083936-CU-CO-CTL*

**F.        RECONVENE TO PUBLIC SESSION**

The Board reconvened to public session. No action was reported.

**G.        ADJOURNMENT**

The October 26, 2010 special meeting was adjourned.

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Dianne El-Hajj, Clerk

Dr. Patrick Shaw, Secretary