

Citizens' Bond Oversight Committee
of the Lakeside Union School District

MEETING MINUTES for Wednesday, January 27, 2021
(held via Zoom teleconference)

1. **Call to Order and Roll Call** – Kathy Kassel called the meeting to order at 4:31 p.m.
CBOC members present: David Suter Frank Hilliker, John Heredia, Kathy Kassel, Liz Higgins.
CBOC members absent: Britni Cobb, Jennifer Lee Clancy.
Staff members present: Erin Garcia, Todd Owens, Aimee McReynolds, and Shannon Johnston.
2. **Public Comment** – There were no public comments
3. **Review and approve meeting minutes from Wednesday, January 27, 2021** – Liz Higgins motioned to approve the meeting minutes from January 27, 2021, and John Heredia seconded the motion. Motion carried with 5-0.
4. **Project Update and Schedule** – Todd Owens gave an update, including when each project was submitted to the Division of State Architect for approval, and the scheduled bid opening and construction start for each of the following projects.
 - **Lakeside Farms Modernization & Parking Lot** – Liz Higgins asked about the rectangular hole in the parking lot at Lakeside Farms and noted what a large project this is. Todd Owens explained that a lot of buried trash was discovered that had to be dug up and removed before the parking lot grading could begin. He also explained that Whillock Construction will use the large pile of concrete and asphalt currently sitting on the lot as recycled Class II base for the new parking lot at Lakeside Farms. He informed the Committee of his commitment to pursue a parking prohibition on the street across from the school to protect the children from running across multiple lanes of traffic to be dropped off or picked up from school. Liz Higgins noted that there is already a parking prohibition for the hours of 10pm – 6am, which was recently changed. Todd explained that he will still pursue one during school hours for safety of the students and families.
Todd Owens explained that the budget for the modernization project at Lakeside Farms has increased due to some soil conditions that required the architect to adjust the plans, particularly in the location of the new school office structure. The project is on track to be ready to bid in April and begin construction of June of this year.
 - **Tierra del Sol Gymnasium** - Todd Owens asked the Citizens' Bond Oversight Committee if they would like to attend the Lakeside Union groundbreaking ceremony for the Tierra del Sol gymnasium, being planned for early March. He also offered to invite some Lakeside Chamber of Commerce members that may be interested in attending the ceremony as well.

Erin Garcia explained that the gymnasium bid opening was last week and unfortunately, was currently coming in at approximately one million dollars over budget. Frank Hilliker mentioned that some material cost is through the roof right now. John Heredia asked who the architect is on the project and Todd Owens responded Studio WC. John Heredia noted that maybe their cost estimate was old because projects at his school district (Chula Vista Elementary) are still coming in with good bids. Erin Garcia also explained that the District will be pursuing some value engineering options to pare down the costs.

- **Tierra del Sol Multi-Purpose Room** – Todd Owens explained that the Tierra del Sol MPR was on and moving through Division of State Architect (DSA) process as expected.
- **Lindo Park – Multi-Purpose Room Improvements** – Project plans are currently being reviewed by Division of State Architect (DSA) and is proceeding well. This project is expected to begin construction

as soon as school is out in June.

5. Financial Update – Erin Garcia presented two reports: 1) Revenue Transactions, and 2) Consolidated Budget status report.

Revenue Transaction – Erin Garcia explained that this report includes actual revenue transactions to date, as well as five projected future revenues, such as sale of the Series C Measure L bonds, expected in August 2021. The current Revenue total is \$33,489,905. This represents all of the revenue we have available to plan for, however, the district has not allocated 100% to projects at this time. Liz Higgins asked about two line items that were identified as belonging to the State School Facilities Fund. Erin Garcia explained that was an error, both of those items are projected interest earnings for the Bond Fund and that the staff will get this corrected.

Consolidated Budget Status Report – Erin Garcia pointed out the following items:

- The budget for the TdS gymnasium project, #749, will need to be increased but there are funds available from previous completed projects and from unallocated funds in project #760.
- Three projects will be able to close soon, #745 Video Surveillance, #750 Central Kitchen, and #753 District Wide Parking Lots. We anticipate that final bills will be paid over the next couple of months and we anticipate that there will be savings that can be allocated to other projects.
- Three large projects (746-LF Modernization, 748-LP MPR, and 754-TdS MPR) will bid in April/May 2021, so we will know then if those budgets need to be increased or not.
- As a reminder, project #760 labeled in Orange as a future project, will be allocated to a final project to improve energy efficiencies districtwide (upgrade HVAC, LED lighting, etc.).

Liz Higgins expressed an interest in wanting to see the following:

- Bond Management account #736 – Would like to see a detailed listing of what exactly is being charged here. Frank Hilliker added that he would like to see what percentage of the total bond was being spent on bond management.
- What is that balance of the bond account at the County Treasury?
- The amount of the local property taxes last year (2019) and this year (2020) that were used to pay off the bonds. Also, how are the bond payments affecting the tax rates?

Erin Garcia agreed to provide information at the next meeting to address these items.

6. San Diego Tax Payers Association, Bond Transparency Scorecard – Erin Garcia presented the results of the 2020 San Diego Tax Payers Association Bond Transparency Scorecard and reported that the Lakeside Union School District received an A-. She explained that A- was the highest score received by 17 out of 29 school districts with current bond programs, with the remaining 12 districts receiving lower ratings. The ratings are based on a total of 27 total points and no district was able to meet two out of the 27 criteria that requires the annual performance audit to include an expanded scope. There are very few audit firms that are able to provide such an expanded audit, some from out-of-state, and such an audit would cost \$30,000 - \$50,000. This cost would be in addition to the cost of the required annual financial audit. At this point in time, the district would prefer not to incur this additional cost. There was discussion, and John Heredia and Kathy Kassel agreed that it's not worth the added cost to increase the SDTPA scorecard from an A-.

7. Adjournment – Meeting adjourned at 5:18 pm.