



Cajon Valley Union School District
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Citizens' Oversight Committee (COC) of the Cajon Valley Union School District

Minutes Adopted

CALL TO ORDER

The meeting of the Citizens' Oversight Committee was called to order by Deanna Markle on November 18, 2020 at 9:00 a.m. via Zoom.

Members Present: Steve Devan, Susan Holtz, Robert (Bob) Kiesling, Peter Lupo, Deanne Markle and Sheri Runyen. Apologies: Victor Garcia.

District Staff: Esmeralda Ayon, James Beard, Scott Buxbaum, Sharon Clay, Sharon Dobbins, Jon Guertin, Vickie Hayman, Lisa Krueger, and Mark Mendoza.

WELCOME AND ROLL CALL

Sharon and Deanne welcomed everyone and thanked them for their attendance.

APPROVAL OF MINUTES

The minutes from the August 12, 2020 meeting were approved on a motion made by Deanne Markle, seconded by Steve Devan, and carried 6-0.

BUDGET UPDATES

Sharon reviewed the budget information that was sent via email to each member, sharing that there have been some budget adjustments from the summer projects:

Prop C Bond Fund:

Emerald Middle School: \$250,000) was added from contingency to increase the budget for remodeling of the old administrative offices, to include the AP's office as well as a designated space for in-school suspension and space for students that need some time for themselves.

Crest Elementary: The erosion control project is planned for summer 2021.

District: The District-wide security lighting project is in progress.

Anza Elementary: Project savings of \$313,786 was moved to contingency.

Johnson Elementary: Project savings of \$1,600,000 was moved to contingency.

Naranca Elementary: \$1,400,000 was allocated from contingency to expand the scope of work at Naranca to include seven new classrooms, itinerant spaces, staff restrooms and the renovation of existing student restrooms.

Bostonia Global: Sharon shared that \$75,000 of contingency funds was moved to be used for the programming of the facility needs. The District is planning to move forward, despite the bond not passing, opening the school to 9th and possibly a small number of 10th graders, and they are looking into options as to the housing of the new charter high school.

Contingency: The net increase to contingency was \$188,786, bringing the current contingency balance to \$1,671,212. Remaining funds in contingency will be allocated to cover high-priority facility projects.

Prop EE Bond Fund:

Sharon reviewed the reports showing \$20M initially authorized, \$13M issued, and \$7M in remaining authorization. As of the 6/30/20 report date, there was an uncommitted fund balance of \$6,132,764.

Sharon shared that the District is limited in the amount of allowed interest earnings. The IRS requires any excess interest earned (arbitrage) to be refunded to the IRS within five years of the issue date of the bonds. For the most part, the District cannot earn ore interest in its project fund than is being spent to repay the debt, but the calculation of allowable interest earnings requires a specialized financial expert because it involves multiple factors and specific rules.

The District has never been required to repay interest on its construction bonds. However, the first calculation was just completed on the educational technology bonds, and it showed an arbitrage liability of \$34, 241.21. The District's financial consultant advised that because these bonds are very short term and low interest, it is likely that there will be an arbitrage liability (interest refund due) for each issuance. Therefore, the District will ensure that it does not spend any of the interest earnings until the calculations have been completed to verify the amount it is able to keep.

PROJECT UPDATES

Sharon shared that egress studies were done for all middle school locker rooms to verify maximum occupancies and compliance with current code. James shared that some work will be required. Once the scope of work and estimated costs are determined, this may be added to the bond project list using contingency funds.

Sharon pointed out that many of the projects have been completed and have no remaining balances. The projects that currently have small remaining balances are close to being completed and closed out, such as the sidewalk upgrades at Greenfield; the exterior gate at Anza; classroom building at Johnson, which is now occupied; and the exterior LED lighting which is currently being installed throughout the District.

Naranca's new classroom building project was awarded to Silver Creek Industries and Hamel Construction. Silver Creek, the modular building manufacturer, is constructing the buildings off-site. Hamel Construction, the main contractor, will begin the site work over winter break. Completion is planned for summer 2021.

Concern was shared regarding the students having to attend school during the construction, and Sharon explained that, due to the layout and location of Naranca, the impact to the students has been minimized. Naranca sits next to a church, with a vacant lot and cul-de-sac behind the church. The District has negotiated with the church to lease the vacant lot during the term of construction. The contractor will use this lot for his job trailer, parking, and "lay-down" area, as well as to access the construction site at the back of the campus where the new buildings will be located.

Jon shared that the District was able to utilize some of the C.A.R.E.S. funding for the last Chromebook purchase, thus extending the Prop EE bond budget. The next annual purchase

will be in January, and presently I.T. is working on teacher MacBook replacements and expected projector replacements in the summer.

2020 BOND MEASURE (PROP "T")

Sharon shared that, Prop T, the bond to continue the District's capital improvement program, does not look like it is going to pass. It needs 55% to pass, and presently it is at 53.3%.

DISCUSSION/OTHER

Sharon shared that the Naranca project should be completed by the end of summer of 2021. Use of contingency has yet to be determined, but it is anticipated that all projects will be completed by the end of summer 2022.

Sharon added that the draft of the Annual Report will be sent via email to each of the members prior to the next meeting for their review. Any questions or changes can be addressed at the next meeting. If it is approved, it can be published and presented to the Governing Board at an upcoming meeting.

ADJOURNMENT

The meeting was adjourned at 9:42 a.m.

NEXT MEETING

The next COC meeting is scheduled for Wednesday, February 10, 2021 at 9:00 a.m via Zoom. An evite will be sent via email the week prior.