

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

May 19, 2009  
**MINUTES**

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

**A. OPENING PROCEDURES**

1. Call to Order and Welcome  
President Bartholomew called the meeting to order at 7:05 p.m. and read the District Mission Statement.  
Members present:  
Dianne ElHajj, President  
Dustin Burns, Vice President  
Barbara Ryan, Clerk  
Allen Carlisle, Member  
Dan Bartholomew, Member  
Administration present:  
Dr. Lisbeth Johnson, Superintendent and Secretary to the Board  
Emily Andrade, Assistant Superintendent, Educational Services  
Minnie Malin, Director, Human Resources  
Linda Vail, Executive Assistant and Recording Secretary
2. President El-Hajj invited Michael Ferguson, a 7<sup>th</sup> grade student at Rio Seco School, to lead the members, staff and audience in the Pledge of Allegiance.
3. Approval of Agenda  
It was moved and seconded to approve the agenda.  
**Motion: Bartholomew Second: Burns Vote: 5-0**

**B. REPORTS AND PRESENTATIONS**

1. **Superintendent's Report**
  - 1.1. Developer Fees Collection Report
  - 1.2. Use of Facilities Report
  - 1.3. Enrollment Report
  - 1.4. Schedule of Upcoming Events
  - 1.5. Announcement: New Assistant Superintendent of Business Services
  - 1.6. Staffing Report

Dr. Johnson shared that she and Dr. Shaw have recommended to the Board to hire Karl Christensen as the new Assistant Superintendent of Business Services. Mr. Christensen is currently working as the CBO in San Ysidro and will begin in Santee on June 1. Mr. Christensen will come to the next Board meeting to be formally introduced.

Minnie Malin reported staffing will be tight this year. The year will begin with seven less teachers and administration will wait to see the number of students that actually come to our schools before adding teachers.
2. **Spotlight on Learning: County Science Fair Winners**

Emily Andrade shared that about 40 students participated in the County science fair and four have moved on to participate in the State competition. Mrs. Andrade introduced Dr. Lynne Shevinsky, a junior high science teacher at Rio Seco, who coordinates the District Science Fair. Dr. Shevinsky introduced each County Science Fair participant. President El-Hajj presented each student with a certificate of achievement from the Board. Board members praised the students for their quality science projects and congratulated them on their achievement. Dr. Johnson commended the teachers for the instructional work they do to get students prepared for the science fair.
3. **Spotlight on Learning: San Diego County Outdoor School Scholarship Recipient**

Emily Andre introduced Kasey Stoudt, a 5<sup>th</sup> grade student from Hill Creek, who received a scholarship to the 6<sup>th</sup> grade Outdoor Education program from the County Office of Education by submitting a winning essay. Kasey's essay was one of only 15 essays selected out of over 1,000 countywide entries.
4. **Spotlight on Learning: 2009 County Spelling Bee Participants**

Emily Andrade introduced Angelo Carr from Carlton Oaks and Annabelle Rozell from Pepper Drive, Santee School District's participants in the 2009 County Spelling Bee. President El-Hajj presented the students

with a certificate of achievement. Mrs. Andrade also thanked teachers Chris Mowrey and Gary Stovall for working with the students to provide them the opportunity to participate in the County Spelling Bee.

**5. Spotlight on Learning: Reading Committee**

Dr. Johnson thanked the Board for their courageousness in taking on a big task in looking at Reading in our District. The consequences for students who are not literate are dire. Statistics show these students have a higher level of unemployment and juvenile delinquency. She thanked them for making certain Santee has a thorough program to help students be good readers

Dr. Johnson introduced Kristin Baranski, Stephanie Pierce, and Debbie Towne, the three staff members who diligently chaired the Reading Committee. She said their commitment will inspire all teachers to provide instructional strategies for our students who struggle to read. Dr. Johnson thanked them for their hard work and said Santee will be a model for other school district and this may be a good Golden Bell application.

**C. PUBLIC COMMUNICATION**

President El-Hajj invited members of the audience to address the Board about any item not on the agenda. There were no public comments.

**D. CONSENT ITEMS**

Items listed under Consent are considered to be routine and are all acted on by the Board with one single motion. President El-Hajj invited comments from the public on any item listed under Consent.

- 1.1. **Approval of Minutes**
- 1.2. **Approval of Employment Agreement Between the Santee School District and the Assistant Superintendent, Business Services**
- 2.1. **Approval/Ratification of Travel Requests**
- 2.2. **Approval/Ratification of Expenditure Warrants**
- 2.3. **Approval/Ratification of Purchase Orders**
- 2.4. **Approval/Ratification of Revolving Cash Report**
- 2.5. **Acceptance of Donations**
- 2.6. **Approval of 2009-10 Student Accident Insurance**
- 2.7. **Approval of Agreement for Audiovisual Services**
- 2.8. **Adoption of Resolution No. 0809-52 Amending and Supplementing Resolution No. 0809-44 Relating to Reimbursement of Expenditures Using Proceeds of Issued Debt and Securities**
- 3.1. **Approval of Construction Encroachment Easement for Storm Water Improvements at Pepper Drive School**
- 3.2. *(Pulled for separate consideration.)*
- 3.3. **Approval of Consultant Services with Merrick + Associates for Water Usage Reduction**
- 3.4. **Ratification of Retention Reduction for Capital Improvement Program Projects**
- 3.5. **Final Construction Contract Closeout for Rio Seco and Carlton Oaks School Modernization Projects**
- 4.1. *(Pulled for separate consideration.)*
- 4.2. **Approval of State Preschool Program Annual Report to California Department of Education**
- 4.3. **Approval to Expand ASES Program Fee Schedule**
- 4.4. **Approval of Request for Extended Field Trip for Pepper Drive School Student to Legoland**
- 5.1. **Personnel, Regular**
- 5.2. **Approval of Shared Classroom Teaching Assignments for 2009-10**
- 5.3. *(Pulled for public comment.)*
- 5.4. **Approval of Revised Certificated Special Education Job Descriptions**

It was moved and seconded to approve Consent Items, with the exception of Items 3.2., 4.1., and 5.3.

**Motion: Ryan Second: Carlisle Vote: 5-0**

**3.2. Approval of Landscape Architectural Services with George Mercer Landscape Architecture for Design of Split Irrigation Systems**

*(Pulled by Member Carlisle for separate consideration.)*

Member Carlisle asked if this item took care of the split irrigation systems at all schools. Dr. Johnson said the estimated cost of \$45,000 is \$5,000 per site to design split irrigation systems is for all schools.

**Motion: Carlisle Second: Burns Vote: 5-0**

#### 4.1. Approval of 2009-10 School Schedules

*(Pulled by Member Burns for separate consideration.)*

Member Burns stated that he would not support the 2009-10 school schedules because of the Kindergarten minutes. Although he respects the teachers, there are two schools with lower instructional minutes in Kindergarten than the rest of the District. He believes full day Kindergarten can really make a difference for kids, especially in reading. He supports the instructional minutes of the other 7 schools but cannot vote for the Kindergarten minutes. Member Burns feels an obligation after speaking with parents who believe there is a difference with full day Kindergarten in our schools.

Member Ryan is disappointed to have a school reducing minutes in Kindergarten and that there are two schools not providing full day Kindergarten. It is a priority of the Board to provide consistency district wide and to give all children an equal opportunity. A reduction in instructional minutes puts some kids at a disadvantage. Member Carlisle agreed and is disappointed there is not equity across the District in Kindergarten instructional minutes.

Member Carlisle asked if the schools' beginning and ending times take into consideration the finding of the FCMAT study. Dr. Johnson said not this next school year because there needs to be time to communicate the changes with parents and provide them an opportunity to come to the Board with any concerns. Administration plans to begin in 2010-11 to align beginning and ending times with a recommendation for only two start times to assist with savings and efficiency in transportation.

**Motion:** Bartholomew      **Second:** Carlisle      **Vote:** 4-1 (Burns, no)

#### 5.3. Approval of New Management Job Titles and Descriptions for Systems Administrator and Telecommunication/Network (E-Rate) Administrator, and Appointment of Positions

*(Pulled for public comment.)*

Brad Hunt, CSEA chief job steward, requested this item be pulled from the agenda. He believes there are similarities to jobs that classified people own. CSEA was not granted the opportunity to negotiate this and he is concerned that some classified work is transferring to a management position. He asked the Board to not approve the new job descriptions. The Board asked administration if the new job descriptions included work previously done by a classified employee and if any classified employee positions were being eliminated.

Minnie Malin said the Director of Technology, Bernard Yeo, took the job responsibilities that were being done by a management employee who recently retired and divided them to two other management positions. The retiree's position is not being filled and no classified positions are being eliminated.

Dr. Johnson said management positions are not negotiated. If there were duties being taken from classified employees there would be concern. These duties were distributed from a vacant management position after the manager retired. Bernard Yeo changed the job descriptions to include those duties and changed the job titles to reflect more current technology industry language.

**Motion:** Bartholomew      **Second:** Burns      **Vote:** 5-0

#### F. DISCUSSION AND/OR ACTION ITEMS

President El-Hajj invited comments from the public on any item listed under Discussion and/or Action.

##### 1.1. Transportation FCMAT Report Discussion

Dr. Johnson shared the recommendations provided by the FCMAT team to increase efficiency and costs in District transportation. The recommendations include alternative transportation services, revising our bell schedules, software for routing, bargaining contract provisions for sitting time, maintenance of vehicles, and other ideas.

**Alternate transportation** includes in-lieu contracts with parents for transportation to a designated or non-public school with mileage paid to them by the District. This was also a recommendation from the Special Education FCMAT team. Administration would need to study how this is done in other districts and bring back a plan to the Board. Board members agreed in concept with this recommendation but believe more study needs to be done.

Member Bartholomew asked what happens if you do an in-lieu contract and there is a decline in the student's attendance. President El-Hajj said the District stays in control and would discontinue the contract if that occurred. It was requested to see how in-lieu transportation works in other districts so it does not become an accounting nightmare.

Administration will be implementing an action plan to develop a **bell schedule** for the 2010-11 school year to increase efficiency in transportation routes. Dr. Johnson said she understood Santee used to change start times every 2 or 3 years. Member Burns asked administration to make certain teachers get the communication about changes in bell schedules in a timely manner to provide them the ability to make any desired changes to accommodate their personal schedules.

**Routing software** is overdue. A close review is needed to see where kids are being transported and if there is still a need. There is software available that is needed to efficiently develop routes. The FCMAT team also suggested a Board policy be developed stating the zones from which students would be transported.

A decrease in sitting time for bus drivers is being **negotiated with classified staff** which was a recommendation of the FCMAT team.

**Maintenance of District vehicles** could be more efficient if the District had newer buses. This may be an effective use of resources and Dr. Johnson suggested a study on this. Just adding personnel without looking at the condition of our buses may not be the most prudent thing to do. Leasing is another option to look into for saving dollars over time. President El-Hajj said this would be a good area for the new CBO and new Director of Maintenance and Operations to begin.

**Other areas:**

Dr. Johnson said the FCMAT team recommended studying if **revenues lost** in the Project SAFE program are greater than the revenues gained through the transportation contract with the Boys and Girls Club. Dr. Johnson said what the District currently offers suits different groups of parents so there may not be a concrete answer. Member Ryan said the FCMAT team may have assumed that if those kids did not go to other places after school they would go to Project SAFE and that is not necessarily the case. Member Bartholomew said fundamentally, the programs are different. Member Ryan said those are parents' choices for their children after school and it does not affect the FCMAT study.

Dr. Johnson reported the **RCS radio contract** has already been reduced through negotiations with the vendor.

Mr. Purvis, from the FCMAT team, recommended thorough communication strategies for any reductions or changes, the rationale, and any options available. Mr. Purvis said that in Poway, no parents came to complain because they spent a lot of time communicating with parents and provided them the time to make needed arrangements if transportation changes were made.

**1.2. Budget Update Following the May Revise**

Dr. Johnson provided a budget update beginning with the known information from May 14, 2009. Because things seem to change frequently, a budget must be developed with whatever information we have at the time. On May 28<sup>th</sup>, the Governor will tell us what he wants in the "May Revise" and the legislature will vote on it before the budget is confirmed.

Dr. Johnson reported that this evening a special election was being held with initiatives to support increased revenue to the State. According to the polls, these initiatives are not expected to pass. If the ballot measures pass, the projected revenue loss to the District is \$1.6M. If the measures fail, it will be a projected cumulative loss of \$2.7M. The Governor indicated he may also:

- Shorten the school year and deduct the funding to school districts (This would have to be negotiated locally),
- Defer apportionments, creating a cash flow crisis,
- Extend the layoff/reassignment window to August 15<sup>th</sup>, if there is less than a 2% COLA, and
- Withhold IDEA funding received from the federal government.

Member Ryan said the State can cut up to \$6B without triggering a "maintenance of effort."

The next steps for administration will be to confirm revenue losses and identify necessary reductions. Executive Council has been meeting to review all possible ways to mitigate the budget reductions. Dr. Johnson has also talked with the County Office about working on the year-end close without all of the State budget information confirmed and closing with old assumptions. Administration will look at all available funding and return to the Board on June 2, 2009 with some aggressive recommendations for the Board. The District's end of year report to the County will include an action plan.

**2.1. Monthly Financial Report**

Dr. Johnson shared the monthly financial report for April and pointed out the budget revision page as well as the extra dollars in the ending balance from the County Treasury Loan for cash flow. Member Ryan asked why the balance of the reserve was less. Dr. Johnson said the Board approved using \$759,028 for mid-year reductions and it will be returned in the 09-10 fiscal year.

Member Ryan moved to approve the Monthly Financial Report for the period ending April 30, 2008.

**Motion: Ryan Second: Burns Vote: 5-0**

**2.2. Adoption of Resolution Providing for the Issuance and Sale of 2009 General Obligation Bond Anticipation Notes of the Santee School District; Authorizing Execution of Documents and Taking Related Actions**

Dr. Johnson shared that tonight was a very important night for the Board as they are looking at financing Phase II construction as well as paying the remainder of Phase I, while the State has frozen apportionments of eligible construction funds to the District. Eric Hall, financial consultant, explained that on March 17<sup>th</sup> this item was introduced and was discussed further by the Board on April 21<sup>st</sup>. MR. Hall presented the financing structure, schedule, and pending issues of Bond Anticipation Notes (BAN).

In 2006, the District passed a \$60M bond measure. Bonds have been issued for approximately \$42M and the BAN will provide bridge funding while the District waits until the property valuation increases to issue the remaining bonds at a more reasonable rate. Since the District is underway with construction and modernization, a BAN can leverage against the future bond indebtedness.

Mr. Hall presented supplemental agenda items, a new indenture, and a County letter. Every district in the State is experiencing a cash crisis and the lenders are evaluating the risk. A credit enhancement will be required to down the interest rate, a practice to save some money and have construction dollar stretch a little further. The supplement includes some of the covenants, or requirements, of the indenture.

Ben Dolinka, from the Dolinka Group, shared that this financing is on the cutting edge. US Bank provides funds to help school districts with their cash needs. The term sheet provided the covenants that will most likely be required from the Santee School District. He said the board may need to call a special board meeting to expedite the timeline if the covenants are different. The list of covenants included to avoid a default of the BAN:

- A 3-day response to any records request,
- Punctual payment at the end of the 5 year term,
- A letter from the San Diego County Office of Education,
- A commitment that the District will put forth their best efforts at the end of the 5 year term to issue as much as possible in the GO bonds and if the bonds cannot be issued, the District must find up another funding source, possibly COPs,
- The district cannot enter into a qualified status with the budget, and
- The District cannot issue any further general fund obligation debt over \$5M, such as QZAB.

US Bank may also require the District to not start Phase III construction until the BANs have been paid off and that the District use all or part of State construction revenue to pay the notes. Member Carlisle asked if the State construction funds are obligated through this covenant and if that eliminates the option for the Lease Revenue Bond (LRB). Mr. Dolinka said that is correct, but because they are covenants, US Bank could be petitioned to waive the covenants. If the District retired the BANs in less time, new BANs could be also issued if needed.

Mr. Dolinka said none of the covenants give the bank or note owners control over the district budget. As long as the District complies with the covenants, there is no recourse.

Board members were concerned about the restriction of issuing any debt over \$5M because that eliminates the possibility for QZAB loans, which the District has qualified for. Mr. Dolinka said the QZAB loan obligates general fund dollars for repaying it but the District could request a waiver to issue debt or issue debt that does not obligate the general fund.

President El-Hajj asked what would happen if the District went into a qualified status. Mr. Dolinka said the District would be given time to fix it. If it was not fixed, the bank would charge a higher interest rate until it was fixed. After 180 days it would jump to a much higher rate and include a steep penalty. President El-Hajj said the District may wish to consider holding some of the State cash to avoid going into a qualified status. Mr. Dolinka said another option if this occurred could be to apply for assurity Bonds.

Mr. Dolinka said he will return annually to give the Board a status report on the BANs. If in 2011 the District has not been able to finish Phase III, the Dolinka Group will be available to provide information and would probably recommend placing another bond measure on the ballot.

Member Carlisle asked what the total cost of the BAN was at the end of the 5 years. Mr. Dolinka said with the interest, a conservative estimate is about \$23.5M.

Member Bartholomew asked about the County letter which indicated that Mr. Dolinka's projected assessed valuation estimates are too optimistic. Mr. Dolinka said he compared the BAN analysis to what the County Assessor shared and projects the assessments will return in three years which is different than the County projects..

President El-Hajj asked if we would save money if we paid the BAN off before 5 years. Mr. Dolinka said yes, some of the interest costs would be saved. President El-Hajj said the Board would be interested in paying off the BAN as soon as possible because the covenants are quite restricting.

Mr. Dolinka asked the Board if there were any covenants he should try to negotiate with US Bank. Dr. Johnson suggested requesting a 5 day records request provision. To go into default for such a short noticing time could happen if staff were not given reasonable time to respond.

Christina Becker reported on her visit to Sacramento seeking facility hardship funds. She received a conceptual approval of the request to fund 2 of the 10 classroom buildings and some classrooms from another building, estimated to be close to \$6M, and it will go to the State Allocation Board in July. The hardship funds may get approval but be unfunded, although these funds go to the top of the list when dollars become available. Dr. Johnson said 18 months is the projected target at this time to receive the apportionments.

Dr. Johnson reported we have only received \$4.1M of the approximately \$32M in eligible State construction funds from the State. This has created a cash shortfall of approximately \$8M to complete Phase I construction. She shared that Barnhart, Inc. is working with the District to help mitigate and defer the cash flow during completion of Phase I construction.

Member Bartholomew asked the cost of stopping construction and what it logistically entails. Dr. Johnson said there are considerable costs with stopping construction and ending contracts that are in the queue. It is projected that the cost could be as high as \$16M, and at this point there is no way to pay it because of the State freeze. President El-Hajj said the biggest challenge is the \$7M for completion of Phase I. Phase II would not be attainable.

Anton Greenville, vice president of Barnhart, Inc., said it also impacts Barnhart's commitment to the sub contractors. He said construction costs are also less at this time and next year the costs may be greater.

Member Ryan asked when the BAN dollars would be realized. Mr. Dolinka said the goal is for the end of June.

Member Carlisle asked when the Board would need to know that State funds are coming so Phase II could be continued. Board members discussed when to possibly expect State payments. Dr. Johnson said if the District did not receive the BAN money until July, Barnhart and the subcontractors have expressed a willingness to defer payments until the BAN money is received in July.

Member Ryan moved to adopt Resolution #0809-39 to move forward with the issuance and sale of general obligation bond anticipation notes in order to finance identified school facilities projects, authorizing execution of documents and taking related actions.

Dr. Johnson asked if the Board would like a short workshop on the construction schedule options with additional BAN covenants and shortfalls because of not being able to access LRB or QZAB funds as a result of the US Bank restrictions. President El-Hajj said a workshop should be planned after the new CBO was on board and should include Barnhart representatives.

President El-Hajj thanked the ICOC members for being at the meeting to hear about the funding issues for themselves instead of second hand.

**Motion: Ryan**

**Second: Bartholomew**

**Vote: 5-0**

**G. BOARD POLICIES AND BYLAWS**

**1.1. First Reading: New BP 3515.1 Safety During School Hours: Securing Gates**

New BP 3515.1 was presented for a first reading. Member Burns is concerned about the parking lot at Cajon Park and if it is truly possible to implement securing the gate during the school day.

**2.1. Second Reading: Revised Board Policy #5132 Dress and Grooming**

Revised Board Policy #5132, Dress and Grooming was presented for a second reading and approval. Member Burns moved approval of the revisions.

**Motion: Burns Second: Carlisle Vote: 5-0**

**2.2. Second Reading: New and Revised Board Policies: BP 3280 – Sale, Lease, Rental of District-Owned Real Property; BP 3541.2 – Transportation for Students with Disabilities; BP 7123 – School Size**

Board Policies 3280; 3541.2; and 7123 were presented for a second reading and approval. President El-Hajj said it would be a good idea to have a discussion about school size while it is not a pending issue. Member Burns agrees and believes the process should begin.

**Motion: Carlisle Second: Ryan Vote: 5-0**

**H. BOARD COMMUNICATION AND ORGANIZATIONAL BUSINESS**

Member Burns said it is his understanding that the committee has selected a special education director and he would like the opportunity to meet the candidate before the Board takes action to confirm. Administration will arrange for the candidate to be available 30 minutes prior to the next board meeting.

Member Carlisle reported on the CSA 69 committee. It is very expensive to run the four emergency units and the fee may need to be increased. The reserve is declining and expenses are increasing. The County staff is hopeful that the budget will balance.

Member Ryan provided a report from the CSBA delegate assembly. She said that under "No Child Left Behind", the ratio of highly qualified teachers must be balanced and asked Mrs. Malin if Santee's teaching staff is balanced. Mrs. Malin confirmed that Santee complies with the requirements.

Member Ryan said she learned that 50 school districts said their textbook adoptions waivers were denied. Mrs. Andrade said Santee has been approved and she understands that the State will be reconsidering the denials for other school districts and it is projected they will approve them

**I. CLOSED SESSION**

President El-Hajj announced that the Board would meet in closed session for:

**1. Public Employment Matters (Govt. Code § 54957)**

*Public Employee Discipline/Dismissal/Release*

The Board entered closed session at 10:20 p.m.

**J. RECONVENE TO PUBLIC SESSION**

The Board reconvened to public session at 11:25 p.m. No action was reported.

**K. ADJOURNMENT**

The May 19, 2009 regular meeting adjourned at 11:25 p.m.