

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

November 21, 2017
MINUTES

Charles E. Skidmore
Administration Center
9625 Cuyamaca Street
Santee, California

A. OPENING PROCEDURES

1. Call to Order and Welcome

President Levens-Craig called the meeting to order at 6:00 p.m.

Members present:

Elana Levens-Craig, President
Dianne El-Hajj, Vice President
Ken Fox, Clerk
Dustin Burns, Member
Barbara Ryan, Member

Administration present:

Karl Christensen, Assistant Superintendent, Business Services
Lisa Arreola, Executive Assistant and Recording Secretary

2. District Mission

President Levens-Craig invited the audience to recite the District Mission.

3. Pledge of Allegiance

President Levens-Craig invited Jim March and Aaron Householder, volunteers from Senator Joel Anderson's office, to lead the members, staff, and audience in the Pledge of Allegiance.

4. Approval of Agenda

Member El-Hajj moved approval.

<i>Motion:</i>	<u>El-Hajj</u>	<i>Levens-Craig</i>	<u>Aye</u>	<i>Burns</i>	<u>Aye</u>
<i>Second</i>	<u>Ryan</u>	<i>El-Hajj</i>	<u>Aye</u>	<i>Ryan</i>	<u>Aye</u>
<i>Vote:</i>	<u>5-0</u>	<i>Fox</i>	<u>Aye</u>		

B. PUBLIC COMMUNICATION

President Levens-Craig invited members of the audience to address the Board about any item not on the agenda.

Jim March and Aaron Householder, volunteers from Senator Joel Anderson's office, extended the Board an invitation to the Senator's Holiday Legislative Open House on Tuesday, December 12 at 6:00 pm, in El Cajon.

C. DISCUSSION AND/OR ACTION ITEMS

Business Services

- Award of Bid 1718-077-102 Installation & Site Work For New Modular Classroom Buildings at Pepper Drive School**
- Award of Bid 1718-077-109 Installation & Site Work for New Modular Classroom Buildings at Rio Seco School**
- Approval of Architecture & Design Services with Studio WS Architecture & Engineering for Rio Seco School Parking and Multi-Purpose Court Expansion for the Modular Classroom Building Project**

4. **Approval of Inspector of Record for the Rio Seco and Pepper Drive Modular Classroom Building Construction Projects**
5. **Approval of Testing Lab and Construction Materials Testing Services for the Rio Seco and Pepper Drive Modular Classroom Building Construction Projects**
6. **Project on Office of Public School Construction (OPSC) Unfunded Approvals List**

Karl Christensen, Assistant Superintendent of Business Services, shared the items on the agenda were all related to the award of bids for the modular classrooms at Pepper Drive and Rio Seco schools. He explained he would provide a brief overview and, if desired, the Board could take one action on all of the items with one motion.

Mr. Christensen mentioned the first two items were to award bids for installation and site work for new modular classroom at Pepper Drive School; and the replacement of Project SAFE portables at Rio Seco School. He explained State Grant amount for the projects at Pepper Drive was \$2,256,120; and \$259,210 for Rio Seco.

Mr. Christensen explained the current bid for Pepper Drive was \$2,730,000; and with soft costs, it was estimated to be \$2,921,098. He explained that if Project SAFE pays a portion of the cost, \$256,242, the remaining balance would be \$408,736; to be paid from the Renzulli funds as previously discussed. The current bid for the Rio Seco project was \$1,494,000; and with soft costs, it was estimated at \$1,842,838. He explained the State Grant amount for Rio Seco is \$259,210. If Project SAFE paid \$407,714, the remaining balance would be \$1,175,914; to be paid from the Renzulli funds as previously discussed.

Mr. Christensen mentioned Project SAFE's contributions of \$663,956 towards the projects, would require the use of approximately \$1.6 million of Renzulli funds. He mentioned Renzulli funds are currently \$2.8 million. Mr. Christensen explained this would allow the District to complete the Cajon Park project; he clarified the District had not requested bids for this project. Mr. Christensen explained this project was to add classrooms at the Cajon Park former Junior High site. He mentioned discussion was held on doing a pre-school expansion and that project had been submitted for the grant several years ago; and is on the books for \$422,704. Mr. Christensen explained that if the District decided to move forward with this project, a letter had to be submitted to the Office of Public School Construction. He explained that if Project SAFE contributes towards the projects, the cost from the Renzulli funds would be approximately \$2,656,446.

Mr. Christensen provided an analysis of Project SAFE and mentioned the project had a healthy fund balance. He explained their estimated outgo for 2017-18 was \$2,231,455; and a three-month reserve would be approximately \$557,864. It is projected they end the year with a fund balance of \$1,159,522. Mr. Christensen explained he was estimating a \$400,000 down payment from Project SAFE would leave a balance of \$263,956; which could be paid via a lease through a bank and/or repayment to the District, if District funds were used. This would leave Project SAFE with ending fund balanced of \$759,522; a \$201,658 surplus above the desired three-month reserve. Mr. Christensen clarified this included a four percent (4%) interest charge, if it was being paid back to a bank; no interest would be charged if they would reimburse the District. Project SAFE's annual lease payment would be approximately \$43,978. Mr. Christensen mentioned Project SAFE's last payment, of \$20,000 for the Hill Creek portables, is this year. He explained this would be an increased operational cost of a little less than \$24,000 for seven (7) years.

Mr. Christensen clarified the figures for the Cajon Park were estimates and if the letter was submitted, the District would go out to bid, add the estimated soft costs, to determine the cost of the project. The current estimate is \$1.5 million. He explained the cost of the three projects would be \$2,656,446, in addition to the \$263,956, for an approximate cost of \$2.9 million. Mr. Christensen mentioned this was approximately \$100,000 over the Renzulli fund balance; that could be paid out of developer fees or facility set-aside funds.

Facility Projects Funded by State Grants

Site	Project Description	Application Number	SAB Project Cost	State Grant Amount	District Match Required by SAB	Revised Project Cost	Project SAFE Funding	Estimated Remaining Local Funding Needed	Comment
Pepper Drive	Replace 3 portables, renovate 2 portables; site data and electrical infrastructure upgrade	57/68361-00-011	3,760,200	2,256,120	1,504,080	2,921,098	256,242	408,736	Can use \$2m HVAC replacement project towards match requirements. \$724k paid by Prop 39, leaving \$1.3m for match
Rio Seco	Replacement of 4 Project SAFE portables, paving for overflow parking lot and MP courts	57/68361-00-010	432,017	259,210	172,807	1,842,838	407,714	1,175,914	Includes paving for parking lot and MP courts for hardscape play area equity
Cajon Park	Install/Construct 3 classrooms with adult and child RR	57/68361-00-012	704,507	422,704	281,803	1,494,500		1,071,796	
District Total:			4,896,724	2,938,034	1,958,690	6,258,436	663,956	2,656,446	

LEASE OF MODULAR BUILDINGS

Term In Years:	7	
Interest Rate:	4.00%	Debt Amt
Down:	400,000	263,956
Annual Lease Payment:	43,978	
Current MC Lease Payment (Last Payment 2017-18):	20,170	
Additional Operating Cost:	23,808	
Estimated Project SAFE Outgo 2017-18:	2,231,455	# of Months
Desired Reserve:	557,864	3
Projected Project SAFE Ending Fund Balance w/o Down Payment:	1,159,522	
Projected Project SAFE Ending Fund Balance with Down Payment:	759,522	
Desired Reserve Surplus(Deficit):	201,658	

Member Ryan asked for clarification that the Board would not take action on the Cajon Park project. Mr. Christensen confirmed he only needed direction from the Board to submit the letter to the Office of Public School Construction (OPSC). Member Ryan mentioned she had some concerns she had addressed with the Superintendent. She mentioned she was concerned with the idea of connecting the new pre-school classroom with the existing Santee Success Program; and the ability of the students to go back-and-forth. Member Ryan mentioned she felt a discussion was needed to determine the purpose and use of the building (i.e., private pre-school, Project SAFE, Yale, etc.). Mr. Christensen shared these were conceptual ideas when the plans were submitted for a Yale preschool expansion. He mentioned plans could be altered; and agreed, the site needs to be assessed to determine the need. Mr. Christensen clarified only a conceptual idea is required for the submission of the letter to the OPSC. He explained the District submits the letter; and when the bonds are issued (possibly in early spring), the State Allocation Board would apportion the funds for this project and then the District has 90-days to submit the forms confirming it is "shovel-ready." He mentioned that between now, when we submit the letter, and when we go out to bid, discussions would be held as to what the project would look like.

Member Ryan stressed her concern about submitting a letter and without having a plan. Mr. Christensen clarified that if the letter is submitted, and the funds are apportioned for the project, the District has to submit a form to request the funds. If the form is not submitted, then the project goes to the bottom of the list; just as it would if the letter is not submitted. Member Burns inquired on the specifics of letter. Mr. Christensen explained the letter does not require specifics on the project and only asks that the District confirm it will be "shovel-ready" to start the project when the funds are apportioned. Member Burns expressed his concern with the use of Project Safe funds; and shared the need for staff training and recruitment, etc. He mentioned he was okay with submitting a "vague" letter that would give the District the flexibility on the project. Mr. Christensen shared a copy of the proposed letter. Member Burns reiterated the variety of modulars currently available and the need to assess the current needs. Mr. Christensen clarified the bid stipulates a specific type of modular. Member Burns shared his disappointment, as he had shared the different type of modulars currently available that could be used in a variety of ways.

President Levens-Craig inquired the Board's desire to provide direction to Mr. Christensen to submit the letter for the Cajon Park project. Member Ryan mentioned the letter could be submitted, only if it was not committing the District and the Board hold a conversation regarding the project, as soon as possible. It was the Board's consensus for Mr. Christensen to submit the letter.

Mr. Christensen explained items C.1. - C.5. were the bids, soft costs, architecture and design, inspector of record, and testing lab and construction materials testing services, associated with the modulars at Pepper Drive and Rio Seco schools.

Member El-Hajj moved approval of Items C.1. Award of Bid 1718-077-102 Installation & Site Work For New Modular Classroom Buildings at Pepper Drive School; C.2. Award of Bid 1718-077-109 Installation & Site Work for New Modular Classroom Buildings at Rio Seco School; C.3. Approval of Architecture & Design Services with Studio WS Architecture & Engineering for Rio Seco School Parking and Multi-Purpose Court Expansion for the Modular Classroom Building Project; C.4. Approval of Inspector of Record for the Rio Seco and Pepper Drive Modular Classroom Building Construction Projects; C.5. Approval of Testing Lab and Construction Materials Testing Services for the Rio Seco and Pepper Drive Modular Classroom Building Construction Project. Member Burns explained he was voting against the items because he was very disappointed that when he brought up the variety of modulars currently available, the Board should have held a conversation on the current needs. He shared the idea was to help programs within the District.

Motion: El-Hajj
Second Fox
Vote: 5-1

Levens-Craig Aye
El-Hajj Aye
Fox Aye

Burns No
Ryan Aye

D. ADJOURNMENT

With no further business, the regular meeting of November 21, 2017 was adjourned at 6:28 p.m.



Ken Fox, Clerk



Kristin Baranski, Secretary