

NATOMAS UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee Meeting
Measure J

Location: Virtual Meeting via Zoom

Monday, April 27, 2020 - 6:00 p.m.

MEETING MINUTES

I. Roll Call

Present: David Kawada, Sumiti Mehta, David DeLuz, Mariana Sabeniano Corona, Kathleen Fullerton, Christopher McGreal

Absent: Jason Vitaich, Erin Naudin, Robert Moreno

Staff Present: Javetta Cleveland, Lalanya Rothenberger, Jennifer Mellor, Erica Sazo

Chair: David DeLuz

Vice Chair: Sumiti Mehta

Meeting called to order by David DeLuz at 6:03 pm

II. Communications

A. Welcome/Introductions-David shared no new members at this time and no introductions.

III. Public Comments

Presentations from the public are limited to two (two) minutes regarding any item that is within the Committee's subject matter jurisdiction. Please note that Government Code Section 54954.2(a) limits Committee Members responses to public comments.-No public comments.

IV. Information Items

A. Committee Membership-no changes

B. Form 700-In light of the current COVID-19 pandemic, the Fair Political Practices Commission (FPPC) has announced it is allowing a 60-day extension for those required to file a 2019 Annual Statement of Economic Interests (Form 700). Forms are due no later than June 1, 2020.-Erica asked the members to complete the Form 700 provided in their packets and to email it back to her by the extended due date of June 1, 2020.

C. Board of Trustees (Items from Board Meetings)- Lalanya shared the Board

approved the Measure J annual report from last meeting at the February 12, 2020 Board Meeting. The next Board Item from our April 8, 2020 meeting is the District Waiver Request to the State Board of Education to Increase Bonding Capacity. NUSD asked the Board for permission to appeal to the State Board of Education to increase our bonding capacity. The waiver would increase our current bonding capacity of 3% to 4%. Lalanya shared she will present a presentation about the waiver request at the end of the meeting. The next Board item from April 8th is a Resolution to submit the Bond Capacity Waiver and which was Board approved as well.

D. Measure J Projects and Financial Update- Jen shared not really a lot going on with Measure J right now. There are not a lot of funds to spend. What you see in the current year to date spending column for the first 10 projects are residual amounts that we had to pay. These are projects that wrapped up either last summer or the summer before. The biggest project we have going on in Measure J right now is at the top of the page, the NHS Athletic Field. We are going to do the same at NHS as we did at IHS (track and field). COVID-19 has allowed us to move up our projects. Any projects that were going to be summer projects we are working on getting them done now or early May. The Athletic fields received DSA approval last week and will be going to the Board on May 6th for approval. We are hoping to start construction in the middle of May. Lalanya shared we will show a rendering of what the project looks like during the presentation.

V. Action Items

- A. Approve October 27, 2019 Meeting Minutes
Moved by: Chris McGreal Seconded by: Mariana Sabeniano Corona
Roll Call Vote: 6-0
- B. Approve 2018-19 Annual Report
Moved by: Chris McGreal Seconded by: Sumiti Mehta
Roll Call-previous roll call Vote: 6-0
- C. Approve Sub-Committee Project Review
 - 1. Natomas Dance Room
Moved by: Kathleen Fullerton Seconded by: Sumiti Mehta
Roll Call-Previous roll call Vote: 6-0
- D. Election of Officers (one year term)
Chair: David DeLuz
Moved by: David Kawada Seconded by: Chris McGreal
Roll Call-previous roll call Vote: 6-0
- E. Election of Officers (one year term)
Vice Chair: Sumiti Mehta
Moved by: David Kawada Seconded by: Chris McGreal
Roll Call-previous roll call Vote: 6-0

- F. Approve Meeting Dates for 2020-21
Moved by: Mariana Sabeniano Seconded by: Chris McGreal
Roll Call-previous roll call Vote: 6-0
4th Monday of 2020-21 School Year
August 24, 2020
October 26, 2020
January 25, 2021
April 26, 2021

VI. New Business-Bond Capacity Waiver Presentation: Lalanya gave a presentation on the Bond capacity waiver presentation. During the presentation she shared Measure J was passed in 2014 with a 72% voter approval and it authorized \$129 million in bonds. We currently have \$20.5 million remaining that is scheduled to be sold this year. Measure L passed with 68% voter approval in 2018 and authorized \$172 million in bonds. We sold \$60 million last year and we have left \$112 million remaining to be sold. Without a waiver we can sell \$50-70 million this year, with a waiver we can sell up to \$112 million. Lalanya explained that with a waiver The Education Code establishes a bonding capacity limitation of 2.5%, however, any district has the right to request a waiver from the State Board of Education. Previously the District has requested and obtained approved waivers in 2015 for Measure J to increase our bonding capacity from 2.5% to 3% and in 2019 for Measure L to increase our bonding capacity 2.5 % to 3%. If approved by the SBE the waiver will increase our bonding capacity from 3% to 4% and it is valid for 2 years. This will be for all Bond Measures and it will also include Measure D. We would like to refinance Measure D to save the taxpayers millions of dollars. If approved, it will increase our bonding capacity up to 4%. Other districts have also requested waivers in the range of 4-5%. This is not unusual for districts to ask for a waiver. Why do we need a waiver? Impacts from COVID 19 will likely affect our ability to sell bonds later. In order to make sure that we can keep all of our bond construction projects going forward and not have any delays or any costs of escalation is the reason we are asking for the waiver. Javetta shared if we sell this year the assessed value is based on the January 2020 assessment. So later if the housing market declines it will really impact what we can sell and how much money we would have available for the facilities. Lalanya shared the benefits of a waiver is an early sale is estimated to increase tax levies by \$1.00 per hundred thousand dollars of assessed value. With this we will also be able to refinance Measure D which will save taxpayers an estimated \$6 million over time. That is not money that will come back to the district. It is only to the taxpayers. The waiver nets millions of dollars in savings that could be applied to need facilities improvements. NUSD took out a COP for \$60 million to pay for Paso Verde. We have to pay that back with Measure L, if we get the money sooner we would like to pay that back sooner and that will save us about \$12 million in interest. For every project we move up sooner there are savings and lower interest rates. We will also get a bond savings by selling all at one time, of about \$500,000. Lalanya showed photos and

renderings of PV, NHS, IHS, American Lakes, Bannon Creek and Jefferson. Lalanya shared we plan to submit our waiver application at the end of April. We hope to get the waiver on the Dept of Education's agenda for their July 8-9 meeting. If approved, we will sell our remaining bonds and refinance Measure D.

Javetta shared we are looking for a letter of support from CBOC members to submit with the application. We have a letter already drafted and we are asking the chair to sign the letter if there are no concerns from the CBOC.

Question from David DeLuz- Is this temporary or will this permanently increase our bonding capacity? Javetta answered, It's two years at that percentage. It is not permanent. Lalanya shared by selling it early, the taxpayer will see it drop off their tax bills a couple of years earlier.

Question from Sumiti Mehta-With this will there be any setbacks to any of the schools? Javetta answered there is no set back. We will actually be able to move sooner with this because we will have more cash flow sooner.

VII. Adjournment-Called by David DeLuz at 6:31 pm

Note: Assistance for the Disabled: Please contact the Deputy Superintendent's Office at (916) 567-5457 at least 24 hours before the scheduled Citizens' Bond Oversight Committee meeting to request disability-related accommodations in order to participate in the public Citizens' Bond Oversight Committee meeting.