

Citizens' Oversight Committee Meeting
Tuesday, January 18, 2011
5:30 p.m. HUSD – Board Room
621 E. Sixth Street, Holtville, Ca. 92250

1. PRELIMINARY

Call to Order

Flag Salute

Roll Call

	Present	Absent
Betty Predmore	_____	_____
Mary Bornt	_____	_____
David Bradshaw	_____	_____
Pete Mellinger	_____	_____
Jared Garewal	_____	_____
Racquel Alcaraz	_____	_____
Donna Brady	_____	_____

2. ADOPTION OF AGENDA

Motion _____ Second _____

3. INFORMATION/DISCUSSION

- a) Review of the Bond and Committee Purpose
- b) Update on construction and modernization projects
- c) Recap of financial status/ bridge financing
- d) Committee feedback

4. ADJOURNMENT

Citizens' Oversight Committee
1/17/11 Meeting

Quick overview of the Holtville Unified School District Bond:

On November 2, 2002, the voters in Holtville passed "Measure E", a Proposition 39 bond for the Holtville Unified School District. The \$8.0 million facilities bond provided the following parameters for use:

"To enhance student safety, install fire safety, energy, emergency communications systems; upgrade electrical wiring, heating, ventilation, lighting, sewer, water/bathroom plumbing systems, construct/acquire/renovate/equip classrooms, math/computer technology labs, libraries, multi-purpose facilities, repair roofs, repair/improve sites; qualify for State matching funds."

The purpose of the Citizens' Oversight Committee (Education Code 15278):

The purpose of the Committee is to inform the public concerning the expenditure of the bond proceeds. The Committee shall engage in the following activities to carry out this purpose:

- Ensure that bond revenues are expended only for the construction, reconstruction, rehabilitation, or replacement of school facilities, or the acquisition or lease of real property for school facilities.
- Ensure that no funds are used for any teacher or administrative salaries or other school operating expenses.

Status of HUSD Bond Funds:

Currently, Holtville Unified has only issued roughly \$6.6 million of the total \$8.0 million approved bond amount. This is due to the slow growth of Holtville's property values. Because Measure E is a Prop 39 bond, state law prohibits the bond sum of outstanding bond debt to fall within \$60 per \$100,000 of the assessed valuation of all property within the district limits.

Because of this slow growth, and especially due to the decline in the housing market in the past couple of years, current projections say that we will be unable to issue the final \$1.4 million until well into the 2020's. Of course, this is a conservative projection, and would change should any large increases occur in the future. The current balance of bond funds in the District = \$568,954.21

What are the effects of the slow issuance of the bond?

As many are aware, HUSD underwent the bulk of its modernization/construction phase between 2003 and 2006. As you can imagine, this then forced the District to front construction dollars that were not yet issued by the bond. For this reason, the District issued "bridge financing" mechanisms:

- 1) Certificate of Participation (COP) = \$2.533 million at a 4.76% interest rate.
 - a. Current balance = \$2.121 million
 - b. Yearly principal + interest payments of \$250,000
 - c. Last payment = 8/1/2021
- 2) Qualified Zone Academy Bond (QZAB) = \$1.0 million, interest subsidized by fed govt.
 - a. Yearly payments = \$54,817.21
 - b. Total # of payments = 15 (last = 8/16/2022)
 - c. Total of payment in \$ = \$822,258.15