



SANTA MARIA INDEPENDENT SCHOOL DISTRICT

STUDENT RECOGNITION AND REGULAR BOARD MEETING WEDNESDAY, OCTOBER 12, 2016 6:30 p.m.

Minutes

Notice is hereby given that a scheduled Regular Meeting of the Board of Trustees of Santa Maria Independent School District will be held on Wednesday, October 12, 2016 at 6:30 p.m. at the Santa Maria ISD Cafeteria, 11119 Military Hwy, Santa Maria, Texas 78592.

The Santa Maria Independent School District offers reasonable accommodations for persons accessing its school facilities, as required by the Americans with Disabilities Act (ADA). If you require special accommodations, please contact Ida Torres, Receptionist/Clerical Assistant to the Superintendent of Schools at (956) 565-6308 for assistance.

CALL TO ORDER

Board President called the meeting to order at 6:30pm.

ESTABLISH QUORUM

Present:

Adolfo Hinojosa, President
Oralia "Lala" Ortiz, Vice-President
Miguel Zavala, Secretary
Noe Aleman, Member
Consuelo De la Rosa, Member
Belinda Lugo, Member
Rambaldo "Ram" Rivera, Jr., Member

Present from the District:

Maria J. Chavez, Superintendent of Schools
Enrique Cuellar, Business Manager
Alyssa Romero, Law Offices of Guerra & Farah, PLLC
Ida Torres, Clerical Assistant to the Superintendent of Schools

PLEDGE OF ALLEGIANCE

OPEN FORUM

Board President asked if anyone signed up for open forum. Mrs. Torres replied no.

SUPERINTENDENT'S REPORT

Recommend approving the agenda of the Regular Board Meeting of October 12, 2016 with any modifications or deletions.



1. Presentation of the New High School Planning by George Lazaro, Architectural Services, Fulcrum Consulting Services and Consuelo De la Rosa, Trustee, Building Committee Chair.

Mr. George Lazaro stated good evening I want to present Mr. Sergio Lainez. Sergio is one of our young architects that has come on with our firm specifically to work hand in hand with us and the school district and the building committee our Superintendent to try to finalize the plans and go through all the final coordination to be able to get this project into bid. Sergio has some real strong experience where he has worked on designs of many Elementary Schools, Junior High, and High Schools as well as other facilities including aquariums and auditoriums and Fema Domes. He brings a lot of experience and I think he is going to be a key asset for us to have a successful project. You all know Jose. Jose has been with us for a substantial amount of time and he is still a key player here but Sergio is going to be the lead project architect for this project. I want to bring you up to date as to what we have been doing in the last 30 days. We have rolled up our sleeves and have been working very aggressively to get these plans to the point that we can put them up for bids. We have been meeting with building committee members twice a week and now we are even going to three times a week and to discuss the final details on our plans. We have also been working with key staff members from your High School staff bringing them in to get that valuable input that they have as instructors. We're bringing in Special Ed department, your Science instructors, Criminal Justice, Cosmetology and the library section just so that we can hear what their needs are and hopefully we can address as many of their needs in our set of plans.

Mr. Lainez stated just like George said, we are on this and more than anything we want to make sure that you get the school that you need and for the students as well as the staff making sure on accommodating all the necessary guidelines. Making sure that we allow for growth all these details that Ms. Chavez and the building committee has given to us so that we make sure your design in this building is adequate and not just now but also for the future. As we move forward to other meetings one of the things that you're going to see is that there's been a lot interaction with real good questions and some of this stuff were going to have to go back and Sergio and Jose and our team are building up some 3D modeling to better demonstrate and try to put a vision across as to where we are going to end up. One of the things that they are recently are working on is we have a cafeteria as part of the new High School that is being planned and were coming up with conceptual to present to you all as to maybe having a stage like the one that you have in the back with different layouts and stuff like that just to present a better picture of the end product the school district is going to have once we complete this portion.

Mr. Lazaro stated that's our report for tonight.

2. Presentation of Final Pricing results for District's Unlimited Tax School Building Bonds, Series 2016A, Dr. Miguel De los Santos, Estrada Hinojosa & Company, Inc.

Dr. Miguel De los Santos stated first of all we are so sorry that this took so long. It was out of our hands I think we sent you a letter on Thursday evening when we met last week. TEA had just hadn't come through for us and I had just seen you at the conference and I had told you we were waiting for them. She got the letter that afternoon to report to you all and shortly after midnight she posted the awards and you guys were number two. The posting is based on of course on how poor you are and this is a very poor school district. So we asked Ms. Chavez to set up a meeting which was supposed to be Monday but it was a national holiday so thank you for changing the meeting to today. Let me go over this, this looks very busy and complex. You're going to find that it really isn't that difficult to read so I'll walk you through it.



On the very first column A is the year that were talking about 2016 has just passed so were talking about 2017 right now. The second column has your values. Your values last year say \$40,999,000. Your values this year we worked the numbers from \$50,487,000 so those are your values. We didn't change them, we didn't increase them, we kept them constant chances are that your values will continue to grow. Column C is growth. We're saying that you grew 23% for 2016-2017 and then you have no growth and that's in values. Column D is your payments to date. Your payments before we did these two bonds in other words your payment in 2016 was \$475,000 and in 2017 was \$259,000 and column E is the bonds that we sold and the last time that I met with you it was 6.005 there but it was actually 6.550 so that is the payment for those bonds. Column F is the TEA share for the payment on those bonds. If you look at line 12 where it says 2017 and you go across to E it has \$374,350. If you look at D it has \$259,000 and F has \$150,000, column E is the combination of column D and F. in other words it takes what you owed and what you're going to owe now and you're total payment \$374,000. Dr. De los Santos then apologizes for the mix up and continues once again from the beginning by stating alright column D is what you owed before any new debt. Column E is the debt that came up with the selling of the bonds that we sold the \$6.5. Column F is what we're selling tonight \$150,000 will be your payment for the bonds that you're selling tonight. When you combine column D which what you owed column E which is the bonds that we passed last month and column F which is what you pass tonight. Your new bond payment is going to be \$784,500 and I'm just using that particular line because it varies a few thousand every year. From G forward the three red lines are what you get from the State. In column H you are getting from the State for the whole debt before these two bonds came into effect for 2017 you're getting \$211,000. For the bonds that we are doing tonight you're getting \$130,000. For the bonds that the EDA parts which are the ones we did last month you're getting \$305,000 so when you add all those lines cross, the most important lines to you guys are column L which is the actual tax that you have to raise with your pennies to make your share of the payment. In 2017 you have to raise \$135,000. The tax rate to raise \$135,000 is 28 cents on the INS site. You already had 13 cents so your tax rate is going up 15 cents. You might remember that one time we predicted it might be as much as 42 cents so really your tax payers are not going to be hit as hard. We were very conservative. Everything turned out much better than we had anticipated. In communication with Mr. Cuellar, because last week you were pressured to pass your tax rate and you did and we went back and forth and I said it looks like it's going to be about 29 cents but we really don't know what the market is going to be doing set it at 31 cents. So on your INS tax rate you're actually a couple of pennies more then what you needed to be based on the numbers that I'm presenting today. If you notice the following year in 2018 your tax rate will go up to 33 so really having 31 is good because next year you're are going to go up two pennies and then it's going to stabilize. Now one good thing here is that the tax rate that we are quoting you and a lot of the presentations that I have made to you we had contributions from the MNO site. If you choose to lower your tax rate you can put in money from the MNO site and reduce your INS tax rate. So what that means is that if you keep it where it is, you should do a lot better on your maintenance and operations site. Your able to keep a lot more money there because remember when you move the 13 cents with TRE the agreement was you're going to have to make your payment out of the TRE. If you keep it the way it is you will be able to keep more money on your MNO site. So the bottom line is that your tax rate will be going up for this year 15 cents you already set it at 17 because you went up to 31. Your still way below what you said to the community when you took out or went out to pass the bond you said that next year it was going to be \$1.65 and really it's going to be \$1.48 so if anyone asks you how much the tax rate is going up well we had told you it was going to go up 42 cents it's actually going up 15 cents. They are not going to have the hit that we were talking about. This is your



actual debt. This tells you your whole history for the future for the next thirty years of what your debt is going to be like assuming of course that you get about 81% State aid that your values stay the same. Under those assumptions this is going to be pretty close. Every year your business manager can ask us and we will re-run it depending on your new values. It's not going to change a lot unless somebody comes and sits a big gas well in the back yard or something. I'd like for you to go down to line 45. Line 45 says on column E even though you look on line 5 on column E, it says amount \$6,550,000 that's how much your borrowing. That's how is going to go on record for the other bonds you just passed a month ago but at the bottom you're getting cash of \$5,550,000 and I'll tell you how that happens in a minute. In column F which is today's approval at the very top your borrowing \$2,795,000 but you're actually putting on the very bottom \$2,860,000. The way that happens is that people buy your bonds at a premium. In other words if I'm going to lend you a dollar, instead of lending you a dollar I'm lending you a dollar with 5 cents but you're only going to owe me on dollar but I will give you a dollar and a nickel. That nickel is going to be used to pay all expenses so that you're able to get your full amount for the project. So the full amount that you're going to get in the bank for projects is \$9,410,000 which is what your bond election was for. After all expenses that's clear for you to build your facilities. Very quickly it's kind of explained on the next page, on sources, the par amount of the bonds this is what you owe \$2,795,000. The premium which is the guys that lend you money gave you an extra \$152,684. So total sources you're actually getting \$2,948,000. From that \$2,948,000 we are depositing into your fund \$2,860,000. The cost of issuance for everyone involved is \$63,000. The underwriter discounts which are the people that lend you money is \$24,000. You end up with a total uses of funds at \$2.948 million. Actually into the bank is \$2,860,000. You should receive your funds within thirty days. It's called when it's closed and funded. My advice to Ms. Chavez and Mr. Cuellar is to make sure you are in close contact with your bank so that they know there is a big deposit coming. If there are any questions I'll be happy to address it. It has been a long journey with you guys. It's been a difficult journey because it was a complex deal with trying to bid the IFA and trying not to miss out on the IFA funds and trying to access the EDA funds and not letting them get away and having to do a deal before the end of August and leave some money on the table waiting on TEA to approve and TEA is so uncertain now that in past years we might have said lets go for it were pretty sure were going to get it approved but there's a lot of uncertainty there and we didn't want to take that kind of risk. So once you take your action tonight which is your next item and once you take that action to pass that order you will actually be borrowing \$2, 800,000 completing your transaction and having your funds to move forward with the project. Are there any questions? It's a lot of information and bottom line is that you're getting your full amount. The increase in taxes is 15 cents I really do thank you, you guys have been very patient with us and it has been an experience working on this deal but a pleasure facilitating the funds for you.

Ms. Chavez replied thank you for all of your detailed work and technical assistance. We wouldn't have been able to do this without your advice. Thank you.

3. Student Attendance/Enrollment

Ms. Chavez stated the current overall enrollment is at 687 and then overall district attendance is at 96.55%.

ACTION AGENDA



Finance

4. Consider and approve an order authorizing the issuance, sale and delivery of Santa Maria Independent School District Unlimited Tax Refunding Bonds, Series 2016A, and approving other matters incident

Motion made by Rambaldo "Ram" Rivera, second by Noe Aleman. Motion passed unanimously.

Curriculum and Instruction

5. Discussion and possible action to approve the Revised Inter-local Cooperation Agreement with the Regional Day School Program for the Deaf (RDSPD) at McAllen ISD

Motion made by Consuelo De la Rosa, second by Oralía "Lala" Ortiz. Motion passed unanimously.

CONSENT AGENDA

Finance

6. Approval of Check Payments since last report for September 2016
7. Approval of the Tax Collection Report for September 01, 2016 to September 30, 2016
8. Approval of Monthly Investment Report for the period of September 1, 2016 to September 30, 2016
9. Approval of Revenue and Expenditure Report ending September 31, 2016

Governance

10. Approval of the Minutes for the Regular Board Meeting - August 9, 2016
11. Approval of the Minutes for the Special Board Meeting - August 22, 2016
12. Approval of the Minutes for the Special Board Meeting - August 29, 2016
13. Approval of the Minutes for the Regular Board Meeting – September 12, 2016
14. Approval of the Minutes for the Special Board Meeting – September 19, 2016
15. Approval of the Minutes for the Special Board Meeting – September 29, 2016

Motion to approve all items under consent agenda made by Rambaldo "Ram" Rivera, second by Consuelo De la Rosa. Motion passed unanimously.

Board President asked for a motion to go into executive session.

Motion made by Consuelo De la Rosa second by Oralía "Lala" Ortiz. Motion passed unanimously.



Board President announced it is 7:00 pm we are now in executive session.

EXECUTIVE SESSION

Discussion under the authority of Section 551, Texas Government Code: If, during the course of the meeting covered by this Notice, the Board should determine that a closed session of the Board should be held or is required in relation to any item included in this Notice, then such closed session as authorized by Section 551.001 *ET. SEQ.* of the Texas Government Code (the Open Government Act) will be held by the Board after the commencement in open session of the meeting covered by this Notice. Such closed session may concern any or all of the subjects and be conducted for any and all purposes permitted by Section 551.071 through and including Section 551.084 of the Texas Open Meetings Act, including, but not limited to, private consultation with the Board's attorney on any or all subjects or matters authorized by law.

- A. Section 551.071—Consultation with Attorney on Any Permitted Subject Including, But Not Limited to:
 - 1) Discussion with School Attorney on Item(s) Exempted under Attorney-Client Privilege
- B. Section 551.072—Deliberation Regarding Real Property
- C. Section 551.073—Deliberation Regarding Prospective Gift
- D. Section 551.074—Personnel Matters
 - 1) Discuss all items as appropriate on Superintendent's personnel recommendations
- E. Section 551.076 – Deliberations on Security Devices or Security Audits
- F. Section 551.082—School Children; School District Employees; Disciplinary Matters or Complaint
- G. Section 551.0821—Personally Identifiable Information about Public School Student

RECONVENE IN OPEN SESSION

Board President asked for a motion to reconvene in open session.

Motion made by Oralía "Lala" Ortiz, second by Rambaldo "Ram" Rivera. Motion passed unanimously.

Board President announced it is 7:12 pm we are now in open session.

- 1. Discussion and possible action on items discussed in Executive Session
 - a) Discussion and possible action on recommendations on all items as appropriate on Superintendent's recommendations

Ms. Chavez stated the administration recommends the approval of a Human Resource report as presented.



Motion made by Noe Aleman, second by Oralia "Lala" Ortiz. Motion passed unanimously.

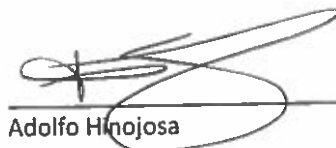
ADJOURNMENT

Board president asked for a motion to adjourn the meeting.

Motion made by Noe Aleman, second by Oralia "Lala" Ortiz. Motion passed unanimously.

Board President announced it is now 7:13 pm this meeting is now adjourned.

This notice was posted in compliance with the Texas Open Meetings Act on Friday, October 7, 2016 at 10:30 p.m.



Adolfo Hinojosa
Board President



Miguel Zavala
Secretary

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This notice has been publicly posted at the administrative offices of the Santa Maria Independent School District, 11119 Military Rd., Cameron County, Santa Maria, Texas, at least seventy-two (72) hours in advance of the above mentioned meeting, as required by the following sections of the Texas Government Code: 551.071 through 551.084. During the regular school year, this notice is also posted in all schools in the District. The school district also posts its board meeting agendas on the District's internet web site (www.smisd.net)

Consent Agenda: All matters listed under the Consent Agenda are considered to be routine by the Board of Trustees and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired on a specific item(s), that item will be removed from the Consent Agenda and considered separately.

Maria J. Chavez, Superintendent of Schools

Board of Trustees

Adolfo Hinojosa, President
Oralia "Lala" Ortiz, Vice-President
Miguel Zavala, Secretary
Noe Aleman, Member
Consuelo De La Rosa, Member
Belinda Lugo, Member
Rambaldo "Ram" Rivera, Jr., Member

