



**SANTA MARIA INDEPENDENT SCHOOL DISTRICT**

---

**Regular Meeting of the Board of Trustees  
Monday, December 14, 2015  
6:00 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 Monday, December 14, 2015 at 6:00 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 Dalia Rodriguez, Administrative Assistant to the Superintendent of Schools at (956) 565-6308 for assistance.

**CALL TO ORDER**

The Board President called Regular Board Meeting to order at 6:05 p.m.

**ESTABLISH QUORUM**

**Present:**

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

**Present from the District:**

Maria J. Chavez, Superintendent of Schools  
Enrique Cuellar, Business Manager  
Alyssa L. Romero, The Law Offices of Guerra & Farah, PLLC  
Dalia Rodriguez, Administrative Assistant to the Superintendent of Schools

**PLEDGE OF ALLEGIANCE**

**OPEN FORUM**

Recommend approving the agenda of the Regular Board meeting of December 14, 2015 with any modifications or deletions.



## SUPERINTENDENT'S REPORT

1. Report on Series 2015 Bond Refunding Final Pricing Results, Dr. Miguel De los Santos, Estrada-Hinojosa Investment Bankers

Mr. De los Santos stated I was before you on September 28 and you authorized our firm and bond council Jesus Ramirez to go out and refinance some bonds that you had outstanding. We priced those bonds on 12-01-15 and we had predicted that your savings was going to be \$150,000 and your savings came out to \$188,000 a little bit better. Your yearly savings was supposed to be \$10,500 and your yearly savings were \$12,505. These are the final numbers and what all this means in terms of savings if you notice this is by years. For example, if your payment in 2018 is \$127,000 then your new payment would be \$114,000. What it means to you in terms of savings and in terms of tax rate is about a little more than half a penny that you would save in tax rate through this. It's not an action item, when you took action on September or the 28 and authorized us to go out for the sale for the refinancing. The savings are better than we predicted at that time so we are now reporting to you how it went and it went very well.

2. Financial Advisor on IFA Bonds Options and Timelines, Dr. Miguel De los Santos, Estrada-Hinojosa Investment Bankers

In visiting with Ms. Chavez about the possibility of financing some facilities, I understand that the district wants to finance some facilities and it seems like the opportunity to finance the facilities is pretty much upon you to proceed with this. I'd like walk you through this. The assumptions page is there because your ADA can change, your net assets value can change, your interest rate can change and tax collection rate. Those things can change and if they change a little bit then it can have an impact one way or another. What we are doing is we base everything that I'm going to be talking about on what it is right now. If you notice the bottom line in bold where I say everything is contingent on approval by the Tax Education Agency because the bonds that we would be asking for are going to have state support so in the end nothing happens without the full support. The following page shows that the state has two federal programs. One is the instructional facilities allotment and the other is the existing debt allotment. The bonds that you have right now which are the ones that we refinanced were the instructional facilities allotment that was passed ten years ago. So the state pays you about 84% and you pay about 16% of those bonds. For every dollar that you pay for those bonds they pay 84%. IFA hadn't been available for about 5 or 6 years but coming available September 1<sup>st</sup> of this year and that's one of the reasons why said that it was a good possibility for you right now. ETA is currently available but it has a little bit of a twist and I will explain it to you in a little bit. In order to access these bonds, let's say that the district decides we want to go for a bond, we would have to call upon elections by February 23<sup>rd</sup> so it gives you two months between now and then to make a decision. You would have to have an election by May 9<sup>th</sup>. The maximum IFA that you're eligible for is 2.645 but you are eligible for a little more than that because we would also try to affect EDA. If it happens and we pass the bond you would have to be ready to increase the tax rate according to the amount of bonds that you increase. The next page shows what you're like right now, on everything that you owe right now you pay \$480,000 a year. If you look at new payment you wouldn't have any because it's free bonds. Total payment is \$480,000 and the state \$267,000 of that. From the TRE transfer, the TRE that you swapped, you put in about \$163,000. The INS tax rate that you have is 13 cents and that raises \$49,000. So a combination of those, it comes out to \$480,000. If you look at the next lone it says no new bonds, you have an opportunity in this school district, there's some old bonds going away. So as a consequence look at what happens to the \$480,000. If you don't do anything like pass any bonds, your current payment would go down to \$278,000 and the state would go down to \$96,000. The MNO transfer stays the same and the INS tax will only raise \$18,000 because you would have to lower the tax rate about 8 cents. This is when most districts take the opportunity to create new debt because it's kind of like when you finish paying off something then you go and buy something else. You don't put it on top of what you already have. The other thing is that if you drop your tax rate by 8 cents and then you come back the following year, it's very difficult to come back to those 8 cents and you



see the increase. The next line \$2,645,000 IFA your current payment stays the same. The new payment for that amount of money would be \$181,000. The total payment \$4.60 state aid \$2.49 the MNO transfer \$1.63, INS 46 current tax rate is 13 cents, you can actually borrow \$2,645,000 and reduce your tax rate by 1/8 or a little bit less than a penny so it won't cost you anything to do that. If you add a million to that you have 278 the new payment is 246 for the 3.645. Total payment 524, state aid 304, MNO transfer and to do that you would look at the very last column and you would actually borrow \$3,645,000 and you would increase your taxes by 1.8 cents. The last one that I have right now is if you would go out for a bond of \$5,000,000, you go all the across and you see where the moneys are coming from which are the columns that I just read, and notice that the next to the last column is \$1889 cents. That would be your new INS tax rate. The INS increase of your 13 cents right now is 5.89 cents. So for under 6 cents the district is in a position to borrow \$5,000,000. I think your needs are a little greater and we are looking at the possibility of arriving at the needs that you all have expressed. One of the things that happens at this point is EDA for two years you have to pay the full amount out of your own pockets and it's a large amount so I need to sit down with Ms. Chavez and maybe the board and talk about options in terms of maybe you can phase in and in January the legislature meets again and if they pass IFA again then you would go for IFA. The good thing about it is that you don't have to wait two years or have to pay two years out of your pocket. You would pass a bond under IFA and pass it in July and you make your first payment in August and TDA starts payment September 1<sup>st</sup>. The next page shows you price increases and what would it mean to the tax payers. If you have a home value after your \$25,000 exemption, remember right now a home owner can deduct \$25,000, so if you have a home that's worth \$30, 000 you would only be paying taxes on the \$5,000. If you borrow \$2,645,000 the taxes that you're paying are actually going down. To borrow \$3,645,000 the second section there, a \$30,000 home that would increase by 90 cents for the whole year. \$100,000 home might be a \$125,000 home would increase by \$18 a year. The last section where you'd be borrowing \$5,000,000, the \$30,000 home that would be paying on \$5,000 would be paying \$2.95. On the \$100,000 home would be going up \$58.00 less than \$5.00. So that gives you kind of an idea. The next page says if you pursue something like this you need to engage your community, your employees and create information packet gain participation and present the need. On the second to the last is a timeline but I know that I'm competing with a lot more important items out here than I will ever be. I'll leave it at that and then at any point that you tell me, I will be happy to come in. I'm going to be here for all the holidays and I will be back and bring you larger numbers than \$5,000,000.

Mrs. Chavez stated Dr. De Los Santos in conversation with the board we are looking at the possibility of a workshop before we close out for the holidays. We know that the planning and the window of opportunity is critical to the school district so at the end of this meeting we will conclude if Thursday would be a good opportunity for a workshop.

Dr. De Los Santos stated this is my last meeting so I will be available.

Mrs. De la Rosa asked if we were not to meet the deadline for February, when would be our next option to hold a bond election.

Dr. De Los Santos responded November. You can only hold elections when general elections are held which is May and November. The thing about the November election is that you wouldn't qualify for IFA. This is the fastest. The legislature just passed it so it puts everyone on a fast track. We can discuss options and if the board chooses to move forward you can do so. If you decide by February 23<sup>rd</sup>, the district is small so in two months we can do a campaign to inform the community and everyone that's going to have an interest in it.

3. Campus Presentations – Principal Mid-Year Report
4. Student/Employee Recognition
5. District Student Attendance/Enrollment



Motion to deviate from the agenda was made by Consuelo De la Rosa, second by Rambaldo "Ram" Rivera. The motion passed unanimously.

## ACTION AGENDA

### Finance

6. Discussion and possible action to approve agreement renewal with Estrada Hinojosa & Company for Financial Advisory Services

Motion made by Consuelo De la Rosa, second by Noe Aleman. Motion passed unanimously.

Motion to deviate back to the Superintendent's report made by Noe Aleman, second by Oralía "Lala" Ortiz. Motion passed unanimously.

7. Discussion and possible action to approve Fulcrum Consulting Services engineering service fees for the month of November 2015 for new High School Project

Motion made by Rambaldo "Ram" Rivera Jr. seconded by Noe Aleman. The motion passed unanimously.

8. Discussion and possible action to approve payment for Fulcrum Consulting Services for inspection services rendered for Santa Maria ISD 5th Grade Building Project

Motion made by Consuelo De La Rosa seconded by Miguel Zavala. The motion passed unanimously.

9. Discussion and possible action on RCI Records Management Consultant for student and administrative records in accordance with the Records Retention schedules  
Ms. Chavez stated the Administration recommends approval so that we can continue maintaining our record submission and deletion timelines

Motion made by Rambaldo "Ram" Rivera, Jr. seconded by Oralía "Lala" Ortiz. The motion passed unanimously.

10. Discussion and possible action on the purchase of a district van from State of Texas Purchasing Cooperative

Ms. Chavez stated the Administration recommends approval as presented in your agenda attachments we're looking at a fifteen passenger van. The comparison that you have there is the district's recommendation is item # 2 the Caldwell fifteen passenger van

Motion made by Miguel Zavala seconded by Rambaldo "Ram" Rivera, Jr. The motion passed unanimously.

### Governance



11. Discussion and possible action regarding 2015-2016 Region One School Board Association Membership Fees  
Ms. Chavez stated the Administration recommends approval as part of our direct and indirect services by Region One

Motion made by Consuelo De la Rosa, seconded by Oralia "Lala" Ortiz. The motion passed unanimously.

### Curriculum and Instruction

12. Discussion and possible action to approve the Resolution of the Board of Trustees encouraging the Governor to appoint an Educator as the next Education Commissioner

Ms. Chavez stated that decision was made today. No Action

13. Discussion and possible action to approve the School Health Advisory Council (SHAC)  
Ms. Chavez stated the Administration recommends approval the review of the proposed members was submitted with the review of school principals and working closely with our nurse who heads up the SHAC committee with the nutritional services supervisor

Motion made by Noe Aleman seconded by Consuelo De La Rosa. The motion passed unanimously.

### Travel

14. Discussion and possible action to approve Board travel to the 19<sup>th</sup> Annual Winter Governance & Legal Seminar, February 25<sup>th</sup>-27<sup>th</sup>, 2016, at the Omni Bayfront Hotel in Corpus Christi, Texas  
Ms. Chavez stated the Administration recommends approval to insure that we comply with the registration timelines

Motion made by Rambaldo "Ram" Rivera, Jr. seconded by Noe Aleman. The motion passed unanimously.

15. Discussion and possible action to approve Board travel to the 76<sup>th</sup> Annual National School Boards Association Conference in Boston, April 9<sup>th</sup>-11<sup>th</sup>, 2016  
Ms. Chavez stated the Administration recommends approval so that we can move on making arrangements after your communication this evening as to who is going to participate

Motion made by Consuelo De La Rosa seconded by Noe Aleman. The motion passed unanimously.

### CONSENT AGENDA

### Governance

16. Report on Board member training received to date

Mrs. Lugo stated we have the Board of Trustees training continuing education report:

Santa Maria Independent School District  
Regular Board Meeting, Monday, December 14, 2015

Page 5

It is the policy of Santa Maria ISD not to discriminate on the basis of race, color, national origin, sex or handicap in its vocational programs, services or activities as required by Title VI of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972; and Section 504 of the Rehabilitation Act of 1973, as amended.

"An Equal Opportunity Employer"



Belinda Lugo—134.30  
Rambaldo Rivera—14.25  
Miguel Zavala—164  
Noe Aleman—158.30  
Consuelo De la Rosa—34  
Adolfo Hinojosa—26  
Oralia Ortiz—47

## Finance

17. Approval of Check Payments since last report for November 2015
18. Approval of the Tax Collection Report for November 01, 2015 to November 31, 2015
19. Approval of Monthly Investment Report for the period of September 1, 2015 to November 31, 2015
20. Approval of Revenue and Expenditure Report ending November 30, 2015

The Board President asked for a motion to approve items # 16-20 on Consent Agenda.  
Motion made by Rambaldo "Ram" Rivera, Jr. seconded by Oralia Ortiz. The motion passed unanimously.

Board President asked for a motion to go into executive session.  
Motion made by Noe Aleman, second by Oralia "Lala" Ortiz. Motion passed unanimously.

Board President announced it 7:05 p.m. we are now going into 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, pursuant to Section 551.074 of the Texas Government Code and Attorney consultation pursuant to Section 551.071 of the Texas Government Code
  - 1) Evaluation of Superintendent
  - 2) Superintendent's Contract



- 3) Resignations, retirements, terminations, proposed terminations, appointments, evaluations, reassignments, duties, and discipline of Professional, Paraprofessional and Non-Contract Employees; Teacher Substitutes and Substitutes for Maintenance, Transportation, and Cafeteria Department
  - 4) 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 Consuelo De la Rosa, second by Miguel Zavala. Motion passed unanimously.

Board President announced it is 7:54 p.m. we are now in open session.

1. Discussion and possible action on items discussed in Executive Session

- a) Evaluation Superintendent  
No action
- b) Superintendent's Contract  
Ms. Ortiz stated I make a motion to approve the Superintendent's contract to \$131,000 with a one year extension as discussed in executive session  
Motion made by Oralia "Lala" Ortiz, second by Miguel Zavala. Motion passed unanimously.
- c) Discussion and possible action on recommendations on all items as appropriate on Superintendent's recommendations  
Motion made my Rambaldo "Ram" Rivera, second by Miguel Zavala. Motion passed unanimously.

**ADJOURNMENT**

Board President asked for a motion to adjourn the meeting.

Motion made by Consuelo De la Rosa, second by Rambaldo "Ram" Rivera. Motion passed unanimously.

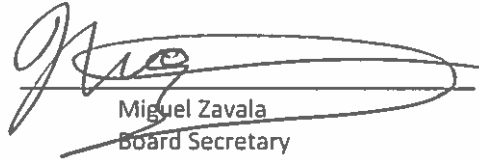
Board President announced it is 7:55 p.m. the meeting is now adjourned.

This notice was posted in compliance with the Texas Open Meetings Act on Friday, December 11, 2015 at 6:00 p.m.





Belinda Lugo  
Board President



Miguel Zavala  
Board Secretary

.....

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](http://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***

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

