

MINUTES

The Directors of the **North City West School Facilities Financing Authority** and Community Facilities District 1 & 2 of the North City West School Facilities Financing Authority held a **Regular Meeting** on **September 10, 2015** at Solana Beach School District Offices, 309 North Rios Avenue, Solana Beach, CA, 92075. (The letters "JPA" will be used in place of North City West School Facilities Financing Authority and the letters "CFD" will be used in place of Community Facilities Districts 1 & 2).

1. CALL TO ORDER

The meeting was called to order by Chairperson Dill at 2:35 p.m.

ROLL CALL

Directors: Eric Dill, Board Chairperson, San Dieguito Union High School District
Doug Rafner, Vice Chairperson, Del Mar Union School District
Terry Decker, Solana Beach School District

Quorum Achieved

Other Personnel, Member Districts:

Caroline Brown, Solana Beach School District
Carlos Estella, Solana Beach School District
Terry Decker, Solana Beach School District
Holly McClurg, Director, Del Mar Union School District
Cathy Birks, Del Mar Union School District

Administration: Mark Risco, Secretary & Executive Director, Willdan Financial Services
Gladys Medina, Willdan Financial Services
Bob Quaid, Willdan Financial Services

Guests: Mike Medve, Willdan Financial Services
Warren Diven, Best Best & Krieger (Via telephone call).

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

Moved by Terry Decker, seconded by Director Rafner to approve the September 10, 2015 agenda
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

4. APPROVAL OF MINUTES

Moved by Director Rafner, seconded by Terry Decker to approve the minutes for the 6-11-15 Regular Meeting minutes.
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

5. PUBLIC COMMENT

There were no comments from the public.

6. FINANCIAL REPORTS

Executive Director reviewed Authority's financial position as of June 30, 2015.

7. EXECUTIVE DIRECTOR'S REPORT

Delinquency Management Update

- CFD 1 – FY 2014-15 delinquencies are \$45,116 (0.5%) at June 30, 2015
- CFD 2 – FY 2014-15 delinquencies are \$1,244 (2.0%) at June 30, 2015

FY 2015-16 Levy submittal to San Diego County.

- CFD 1 - \$8,327,840 submitted on 8,284 parcels
- CFD 2 - \$64,688 submitted on 52 parcels.

Finalization of JPA construction cost overruns so as to determine future funds/special tax requirements.

- Unrestricted funds now exceed \$7.1 million and are growing at nearly \$1 million per year as we continue to levy at maximum special tax.
- Approximately \$5.6 million is encumbered for the Carmel Valley Middle School expansion. Director Dill will consult with SDUHSD Board to determine by the end of 2015 if and how the funds will be used.
- Del Mar and Solana Beach will need to provide school construction cost overruns for NCWSFFA to make a determination of funds needed to satisfy the "overrun" provisions in the Facilities Financing Agreement.
- Any further residual funds should be used to call bonds with intent of retiring bonds 2-3 years early.

Update on new CFD formation.

- Mitigation agreement with MKS has been executed.
- Willdan is in the data gathering phase.

8. ACTION ITEMS

- A. Motion by Director Decker, seconded by Director Rafner to approve the contract with Wilkinson Hadley & King Co., LLP for FY 2014-15 annual independent audit;
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0
- B. Motion by Director Rafner, seconded by Director Decker to approve an increase in FY 2015-16 budget for Outside Consulting by \$4,000 to cover pending reimbursement requests from member school districts for FY 2014-15 demographic studies.
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0
- C. Motion by Director Rafner, seconded by Director Decker to approval of demolition of unusable classrooms as requested by each school district.
Ayes: Dill, Rafner, Decker. Motion Carried: 3:0:0

9. DISCUSSION ITEMS

- A. The Board addressed Holly McClurg's questions regarding NCW that were presented in a handout.
 - Member districts were requested to have their FY 2015-16 demographic studies clearly designate NCW/Carmel Valley student population to assist in drafting the FY 2015-16 Master Plan review and with future funds allocations. Available FY 2015-16 studies will be reviewed at the next Board meeting in December.

- Mr. Diven with BBK advised that NCW funds for overruns not be released until the Carmel Valley Middle School expansion costs have been formally fixed and funds set aside. If the JPA members desire to release the overrun funds at an earlier date, a formal amendment to the Facilities Financing Agreement (FFA) is required for this action and any other action not currently dictated in the Agreement.
- Mr. Diven confirmed his understanding that the \$85,384 remaining in the Del Mar/Fourth Elementary School Fund could be used to pay for the Overrun Amounts. He will further research the FFA to confirm this understanding.
- Mr. Risco explained how the mitigation payment specified in the agreement with MKS was determined. Mr. Warren advised any further discussion be continued in closed session.

B. Warren Diven presented to the Board the provisions of the Mitigation Agreement with MKS.

- Establishes a new CFD encompassing the MKS development. The Rate and Method of Apportionment (RMA) and boundary map will be drafted by Willdan and BBK.
- Provides for a one-time special tax in the amount of \$2 million dollars due earlier of the 3rd anniversary from the effective date of the agreement, which was June 12, 2015, or the date issuance of the final permanent certificate of occupancy for the project.
- Funds to be used to mitigate impact of development of the MKS project on the affected school districts. However, nothing is specific as to how the funds are to be allocated to each school district. Board will have latitude to make that determination based on relative impact on the schools.
- Timeline for formation to be determined. Two meetings will be required to the formation process.

10. ADJOURNMENT OF MEETING

Moved by Director Rafner, seconded by Terry Decker to adjourn meeting.

Ayes: Decker, Rafner, Dill. Motion Carried: 3:0:0.

Chairperson Dill adjourned the meeting at 3:39 P.M.

The next Regular Board Meeting will be on December 10, 2015 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075.