



309 North Rios Avenue
Solana Beach, California
92075

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BOARD OF DIRECTORS

Eric Dill,

Chairperson,

San Dieguito Union High

School District

Doug Rafner,

Vice Chairperson,

Del Mar Union School

District

Terry Decker,

Director,

Solana Beach School

District

Mark Risco,

Executive Director and

Board Secretary

North City West School Facilities Financing Authority Board of Directors' Meeting

December 10, 2015 309 North Rios Avenue Solana Beach, CA 92075

2:30 p.m.

Phone: (858) 792-6937; Fax: (858) 792-8270

Welcome...

PUBLIC COMMENTS

With the exception of personnel items, individuals wishing to address the Board concerning an agenda item (or on other topics pertaining to JPA/CFD jurisdiction) are invited to do so at this time.

In the interest of time, **public presentations are limited to five (5) minutes per person, per topic.** If you wish to speak, please complete a card (located at the sign-in desk); and present it to the Board chairperson before commencement of the meeting. When the chairperson invites you to speak, please state your name, address and/or organization before making your presentation.

Please note: The law does not permit complaints and/or charges against an employee or staff member in an open Board of Directors' meeting.

In accordance with the Brown Act, there shall be no action taken for an item that has not been scheduled on a published agenda. Instead, the Board may:

- 1) Acknowledge receipt of the information,
- 2) Refer to staff for further study, or
- 3) Defer the matter to a future agenda.

We appreciate your cooperation.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with *Government Code 54957.5*, agenda related documents distributed to the Board less than 72 hours prior to meetings are available for inspection at North City West School Facilities Financing Authority executive offices located at 27368 Via Industria, Suite 110, Temecula, California.

AMERICANS WITH DISABILITIES ACT

In compliance with the *Americans with Disabilities Act*, please contact the director at (858) 792-6937 by **noon**, the day before the Board meeting, to arrange reasonable accessibility for meeting participation.

Please set cellular phones and pagers to **silent mode**, and engage in conversations outside the meeting room.

North City West School Facilities Financing Authority

Directors:

Eric Dill, Chairperson, San Dieguito Union High School District
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Terry Decker, Director, Solana Beach School District
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AGENDA

<u>Items</u>	<u>Page No.</u>
1. CALL TO ORDER	
2. PLEDGE OF ALLEGIANCE	
3. APPROVAL OF AGENDA	
4. APPROVAL OF MINUTES	3-5
A. Regular meeting, September 10, 2015	
5. PUBLIC COMMENT	
In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.	
6. FINANCIAL REPORTS	6-14
The following reports record the routine business of the JPA/CFD for Fiscal Year 2015/16. Members of the Board, the administration or the public may request that specific items be discussed prior to their acknowledgement.	
A. Executive Summary	
B. Building Permit Activity	
C. Financial Overview	
D. Income (through September 30, 2015)	
E. Expenditures (through September 30, 2015)	
F. Trust Fund Investments (as of September 30, 2015)	
7. EXECUTIVE DIRECTOR'S REPORT	
A. Delinquency Management Update	
B. Update on Independent financial audit for FY 2014-15.	
C. Update on CFD No. 3 formation.	
D. FY 2015-16 Master Plan Update	

North City West School Facilities Financing Authority

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<u>Items</u>	<u>Page No.</u>
8. ACTION ITEMS	
A. Accept application from SDUHSD for the funding of the Carmel Valley Middle School Expansion.	15
B. Authorize Executive Director to initiate amendment to the Facilities Financing Agreement to allow for the funding of member agency overruns prior to the complete transfer of the CV Middle School Expansion Amount.	16
C. Set the dates for CFD No. 3 formation action as 1) Resolution of Intent to form Community Facilities District No. 3 and 2) Public Hearing to ballot and approve the formation.	17
D. Authorize Executive Director to enter into an Investment Management Agreement with U.S. Bank	18
E. Accept and file FY 2014-15 Mitigation Fee Report as required by Government Code Section 66006.	19
9. DISCUSSION ITEMS	
A. FY 2015-16 student demographics for NCW area compared to districts overall	
10. ADJOURNMENT	
The next scheduled Board Meeting will be held on March 10, 2015 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075	



CARMEL VALLEY

North City West School Facilities Financing Authority

Directors:

Eric Dill, Chairperson, San Dieguito Union High School District
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Terry Decker, Director, Solana Beach School District
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ITEM 4A

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

North City West School Facilities Financing Authority

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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

North City West School Facilities Financing Authority

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- 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.

North City West School Facilities Financing Authority

Directors:

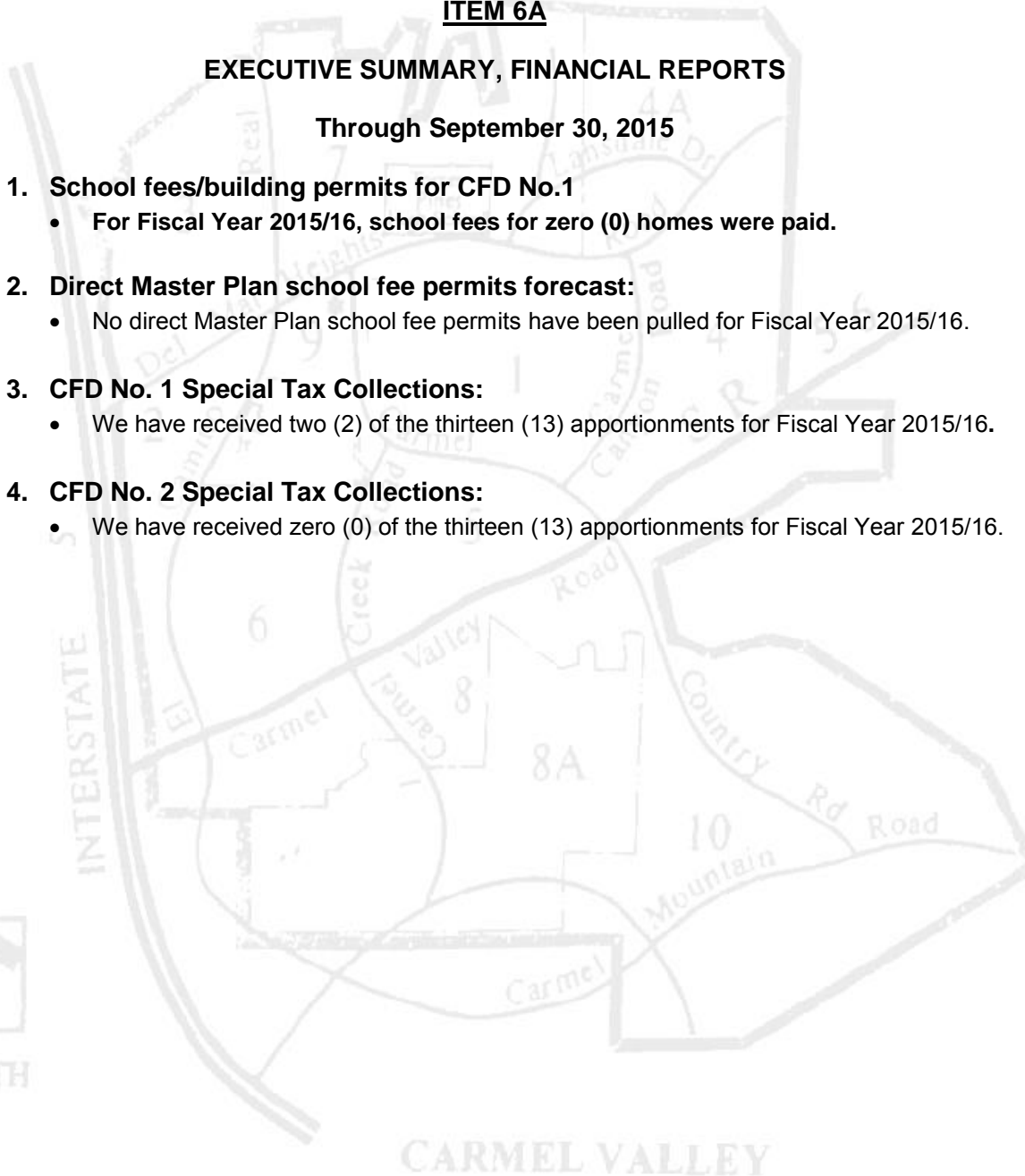
Eric Dill, Chairperson, San Dieguito Union High School District
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ITEM 6A

EXECUTIVE SUMMARY, FINANCIAL REPORTS

Through September 30, 2015

1. **School fees/building permits for CFD No.1**
 - For Fiscal Year 2015/16, school fees for zero (0) homes were paid.
2. **Direct Master Plan school fee permits forecast:**
 - No direct Master Plan school fee permits have been pulled for Fiscal Year 2015/16.
3. **CFD No. 1 Special Tax Collections:**
 - We have received two (2) of the thirteen (13) apportionments for Fiscal Year 2015/16.
4. **CFD No. 2 Special Tax Collections:**
 - We have received zero (0) of the thirteen (13) apportionments for Fiscal Year 2015/16.



North City West School Facilities Financing Authority

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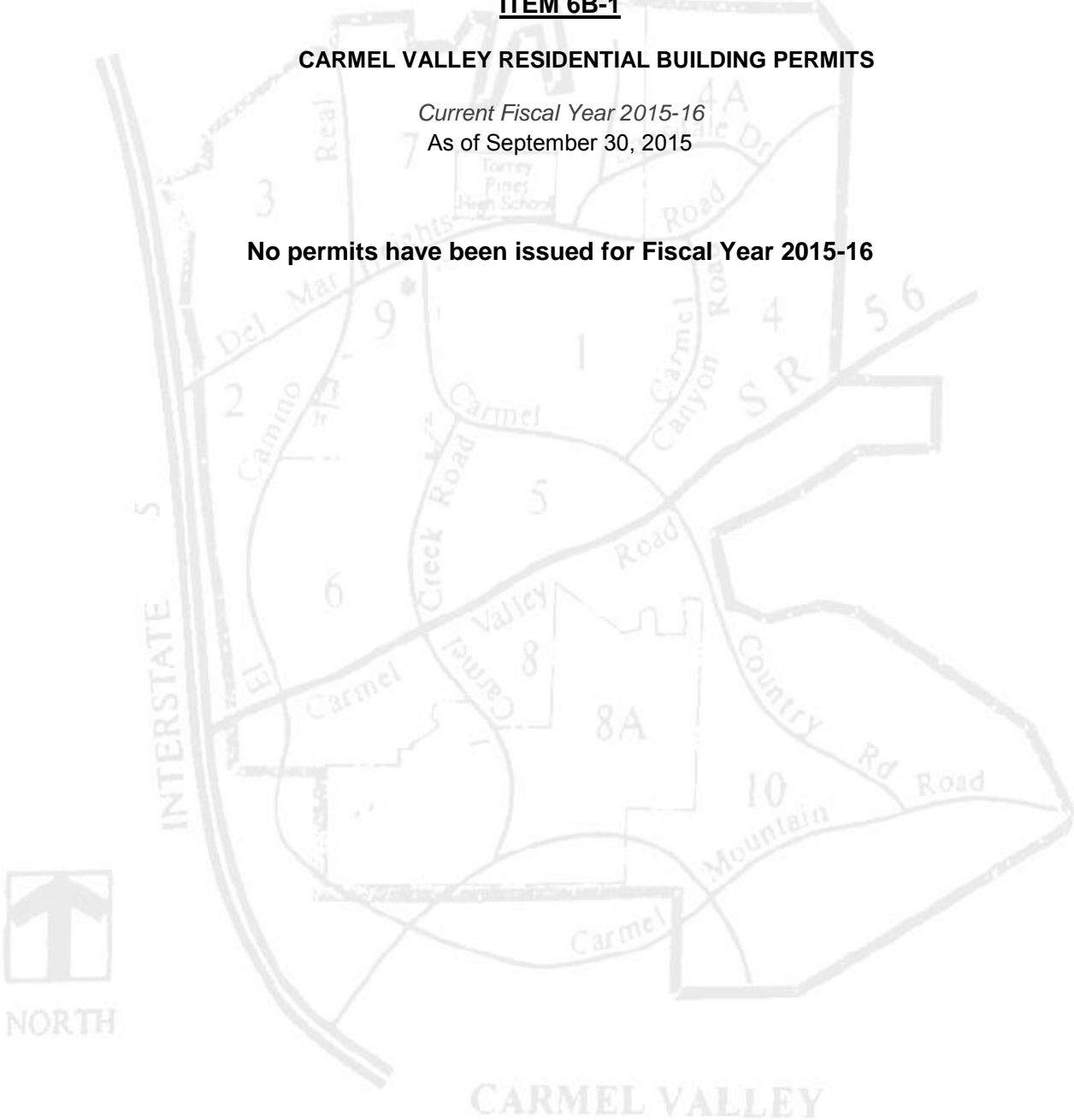
Eric Dill, Chairperson, San Dieguito Union High School District
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ITEM 6B-1

CARMEL VALLEY RESIDENTIAL BUILDING PERMITS

*Current Fiscal Year 2015-16
As of September 30, 2015*

No permits have been issued for Fiscal Year 2015-16



North City West School Facilities Financing Authority

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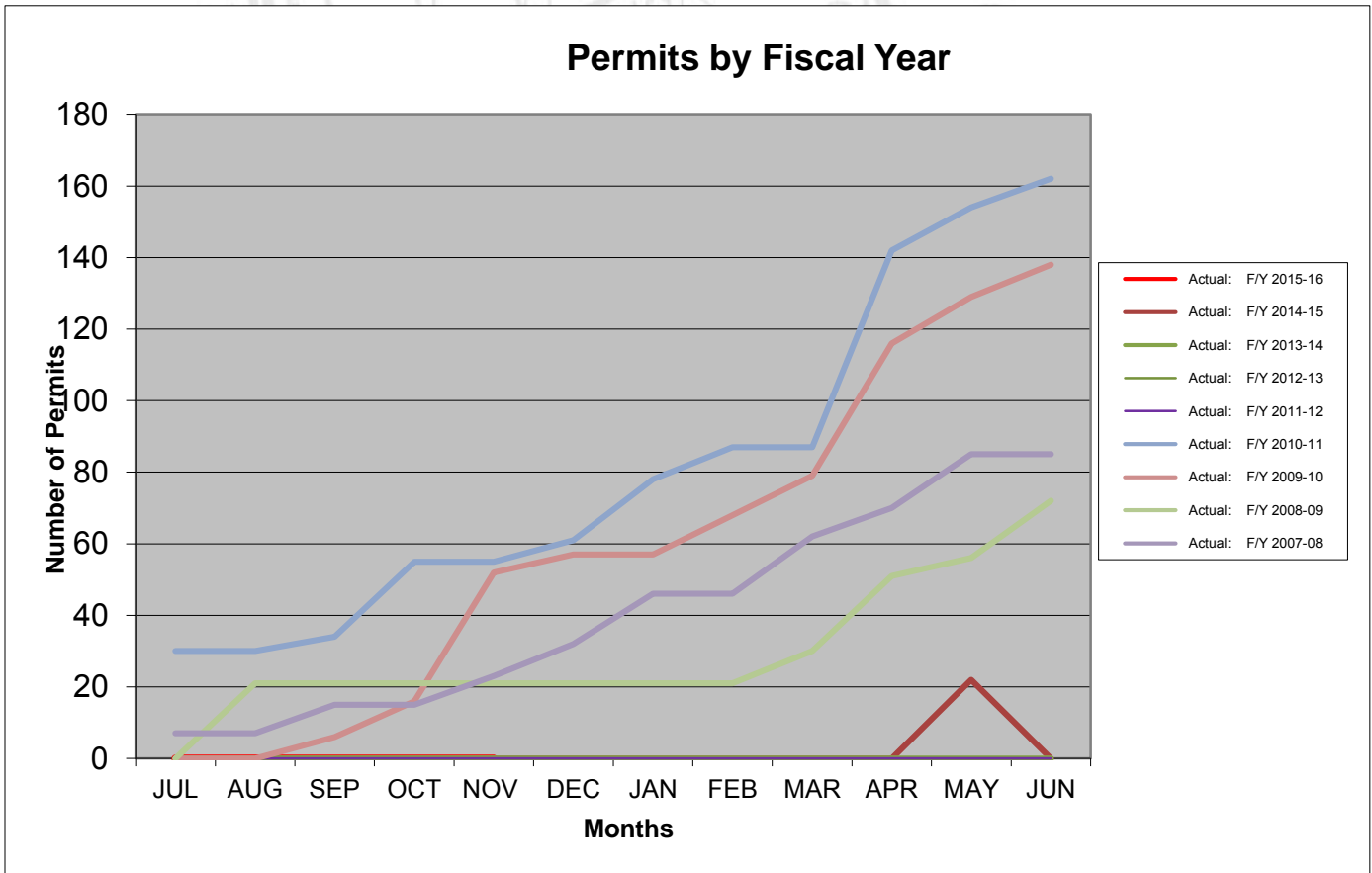
ITEM 6B-2

CARMEL VALLEY RESIDENTIAL BUILDING PERMITS

YEAR TO DATE TOTALS

Current Fiscal Year 2015-16

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Actual: F/Y 2015-16	0	0	0	0	0							
Actual: F/Y 2014-15	0	0	0	0	0	0	0	0	0	0	22	0
Actual: F/Y 2013-14	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2012-13	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2011-12	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2010-11	30	30	34	55	55	61	78	87	87	142	154	162
Actual: F/Y 2009-10	0	0	6	16	52	57	57	68	79	116	129	138
Actual: F/Y 2008-09	0	21	21	21	21	21	21	21	30	51	56	72
Actual: F/Y 2007-08	7	7	15	15	23	32	46	46	62	70	85	85



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ITEM 6C

FINANCIAL OVERVIEW

The financial overview consists of three parts:

ITEM 6C-1 - Summary of Current Funds Available for Future Projects

Shows funds on deposit as of the beginning of each fiscal quarter, less current fiscal year encumbrances, resulting in the balance of unencumbered funds available for future projects

Funds held in the San Diego County Treasury (through the S.D. County Office of Education).

- A. **Fund 18** (25-18): Direct Deposit Capital Facilities/Mitigation Fees collected under Master Plan.
- B. **Fund 77** (21-09): CFD No. 1 Special Tax Funds.
- C. **Fund 78** (21-10): CFD No. 1 Special Taxes collected by County of San Diego.
- D. **Fund 79** (35-00): CFD No. 2 Special Taxes collected by the County of San Diego.
- E. **Fund 83** (21-25): Del Mar Neighborhood #8A School Site Fun
- F. **Fund 84** (21-25): Del Mar Neighborhood #8A School Construction Fund
- G. **Fund 85** (21-39): Carmel Valley Middle School Expansion Fund

Currently inactive funds: 76, 80, 81, 82

ITEM 6C-2 - Financial Status of Approved Projects

Shows the annual approved project budgets, the year to date project expenditures (by county fund or bonds), the percent of budget spent year to date, and the resulting unspent balance remaining for the fiscal year.

NORTH

CARMEL VALLEY

North City West School Facilities Financing Authority

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ITEM 6C-1

SUMMARY OF CURRENT FUNDS AVAILABLE FOR FUTURE PROJECTS

Current Fiscal Year 2015-16
 As of September 30, 2015

	Sept 30, 2014	April 30, 2015	June 30, 2015	Sept 30, 2015
FUNDS ON DEPOSIT				
Fund 18, Mitigation Fees	\$0.00	\$287,182.00	\$287,182.01	\$287,462.87
Fund 76, subordinate tax fund	6,264.82	6,283.98	6,283.98	6,290.12
Fund 77, CFD #1 devel fees & check acct	1,521,346	1,265,867	1,302,827	1,304,085
Fund 78, CFD #1 Special Tax Fund	5,496,460	9,551,501	12,149,673	6,434,920
Fund 79, Master Plan fees & CFD #2	35,698	55,640	63,113	59,031
Fund 80, SBSB #6 site	-	-	-	-
Fund 81, La Costa Canyon	-	-	-	-
Fund 82, SBSB #6 construction	-	-	-	-
Fund 83, DMUSD #7 land	85,123	85,384	85,384	85,467
Fund 84, DMUSD #7 construction	4	4	4	4
2002 Bonds Special fund	41,054	41,054	41,054	41,054
2005A & B Bonds Project Fund	4,713,386	4,718,817	4,718,910	4,719,148
Total Unrestricted Funds on Deposit	\$11,899,337.46	\$16,011,732.71	\$18,654,431.36	\$12,937,463.29
ENCUMBRANCES				
Carmel Valley Middle School Expansion	\$ 5,525,448	\$ 5,525,448	\$ 5,586,098	\$ 5,586,098
La Costa Canyon High School				
Torrey Pines H.S. C.S.R. addition				
Ashley Falls School				
Ashley Falls addition				
Sage Canyon School (Neighb. #10)				
Sage Canyon 8 Relocatables				
Del Mar School (Neighb. #8A) site	72,852	72,852	72,852	72,852
Del Mar School (Neighb. #8A) construct.				
Other Del Mar JPA Relocatables				
Solana Pacific School construction				
Administration	178,714	179,752	151,884	69,798
Next Debt Service on Bonds		5,731,765	5,731,765	
NCW JPA Reserve				
Total Encumbrances	\$ 5,777,014	\$ 11,509,816	\$ 11,542,599	\$ 5,728,748
SUMMARY				
Total Unrestricted Funds on Deposit	\$ 11,899,337	\$ 16,011,733	\$ 18,654,431	\$ 12,937,463
Encumbrances (current fiscal year)	\$ (5,777,014)	\$ (11,509,816)	\$ (11,542,599)	\$ (5,728,748)
Unencumbered Funds Available	\$ 6,122,324	\$ 4,501,916	\$ 7,111,833	\$ 7,208,716

North City West School Facilities Financing Authority

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ITEM 6C-2

FINANCIAL STATUS OF APPROVED PROJECTS

Current Fiscal Year 2015-16

As of September 30, 2015

		C.V. MIDDLE SCHOOL	DEL MAR ELEM. N #8A School	TOTAL PROJECTS
F/Y 2015/16	L		\$ 72,852	\$ 72,852
ENCUMBERED	C	\$ 5,586,098	\$ -	\$ 5,586,098

EXPEND.	L			\$ -
FUND 78	C			\$ -
EXPEND.	L			\$ -
FUND 79	C			\$ -
EXPEND.	L			\$ -
FACIL. FUND.	C			\$ -
TOTAL	L			\$ -
EXPEND.	C	\$ -	\$ -	\$ -

PERCENT	L		0.0%	
OF BUDGET	C	0.0%	0.0%	

BALANCE	L		\$ 72,852	\$ 72,852
REMAINING	C	\$ 5,586,098	\$ -	\$ -

L = Land purchase

C = Construction/Operations

North City West

School Facilities

Financing Authority

Directors:

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ITEM 6D

INCOME TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84

Current Fiscal Year 2015-16
 As of September 30, 2015

DATE	ITEM NO.	SOURCE	FUND 18 (25-18)		FUND 77 (21-09)		FUND 78 (21-10)		FUND 79 (35-00)			FUND 76 (21-62)	FUNDS (21-00,25)
			MITIGATION INCOME	INTEREST INCOME	PERMIT INCOME	INTEREST INCOME	TAX APPN. INCOME	INTEREST INCOME	TAX APPN. INCOME	INTEREST INCOME	PERMIT INCOME	INTEREST INCOME	80, 81, 82, 83 & 84 INCOME
7/16/15	CT	Apportionment #13					\$ 27,770.24						
7/24/15	CT	County Int, 100% 6/30/15		\$ 280.86		\$ 1,258.04		\$ 10,879.87		\$ 62.61		\$ 6.14	\$ 83.49
7/24/15	CT	Deposit Permit-(Delinquencies Paid-APN 307-022-36-09)					666.70						
8/11/15	CT	Apportionment #1					12,957.49						
8/12/15	12-435312	Refund for Overpayment CFD 1 APN 307-022-38-01					(452.00)						
9/8/15	CT	Apportionment #2					11,768.77						
9/10/15	12-441314	Refund for Overpayment CFD 1 APN 307-022-37-59					(452.00)						
YEAR TO DATE TOTAL INCOME			\$ -	\$ 280.86	\$ -	\$ 1,258.04	\$ 52,259.20	\$ 10,879.87	\$ -	\$ 62.61	\$ -	\$ 6.14	\$ 83.49
FORECAST TOTAL INCOME			\$ -		\$ -		\$ 8,444,799.12		\$ 67,524.28		\$ -		
PERCENT COLLECTED YEAR TO DATE							0.6%		0.0%		NA		



North City West

School Facilities

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ITEM 6E

EXPENDITURES TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84

Current Fiscal Year 2015-16

As of September 30, 2015

DATE	VENDOR	PURPOSE	WARRANT	OBJ-SUB NO.	EXPENDITURES			(21-10) Semi-Anl Paym. Int. & Principal
					21-09 Fund 77	(21-10) FUND 78	TOTAL EXPEND.	
			/ SOURCE					
07/28/15	AT&T	Phone Service May 19 thru July 10	12-432298	5900-001		83.09	\$ 83.09	
07/28/15	AT&T	Phone Service July 11 thru Aug 10	12-432298	5900-001		42.99	\$ 42.99	
07/28/15	Best Best & Krieger LLP	Legal Services Rendered thru May 31	12-432299	5800-001		2,323.00	\$ 2,323.00	
07/28/15	Best Best & Krieger LLP	Legal Services Rendered thru June 30	12-432299	5800-001		2,290.02	\$ 2,290.02	
08/12/15	Del Mar USD	Demography Studies-Enr Projection for FY2014-2015	12-435311	5800-002		11,259.43	\$ 11,259.43	
08/12/15	Solana Beach SD	Cash Conference for Caroline Brown February 23-25, 2015	12-435696	5200-001		1,463.73	\$ 1,463.73	
08/12/15	Willdan Financial Services	Professional Services Rendered from March 1, 2015 through June 30, 2015	12-435313	5800-009		14,438.15	\$ 14,438.15	
08/12/15	US Bank	Debt Service Payment-Spec Tax Rev Bonds Ser 2012A	12-435697	7438-001/7439-001		1,200,794.99	\$ 1,200,794.99	1,200,794.99
08/12/15	US Bank	Debt Service Payment-Spec Tax Rev Bonds Ser 2005B & Ser 2006C	12-435314	7438-001/7439-001		4,530,973.34	\$ 4,530,973.34	4,530,973.34
08/17/15	San Dieguito HSD	Demography Studies-New Construction 3462 for FY2014-2015	12-436092	5800-002		6,943.87	\$ 6,943.87	
08/17/15	Del Mar USD	Cash Conference for Doug Rafner February 23-25, 2015	12-436091	5200-001		1,762.50	\$ 1,762.50	
09/10/15	AT&T	Phone Service Aug 11 thru Sep 10	12-441313	5900-001		53.56	\$ 53.56	
09/21/15	US Bank	Administrative Fee 6/1/2015 thru 5/31/2016 (Series 2012A & 2006C	12-444049	5800-007		5,462.50	\$ 5,462.50	
Total Expenditures To Date:						\$ 5,777,891.17	\$ 5,777,891.17	\$ 5,731,768.33



North City West School Facilities Financing Authority

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ITEM 6F

Trust Fund Investments

Current Fiscal Year 2015-16
 As of September 30, 2015

USB Account	Account Description	Issuer	Investment Type	Rating S&P/ Moody's	Date Purchased	Term Maturity	Term Years	Investment			
								Par	% Rate	Mkt Value	% Yield
131352-004	2002 Reserve Fund	FHLB	Note	AA+/AAA	12/18/2012	11/20/2015	2.92	\$ 235,000	0.500	\$ 235,286	0.330
		FNMA	Note	AA+/AAA	12/18/2012	11/15/2016	3.91	229,000	1.375	231,210	0.540
		FNMA	Note	AA+/AAA	12/18/2012	12/20/2017	5.01	240,000	0.875	240,607	0.800
		FNMA	Note	AA+/AAA	9/18/2013	9/18/2018	5.00	240,000	1.875	246,132	1.845
		First American Treasury	MMK					259,827	-	262,076	-
						Total			\$ 1,203,827	\$ 1,215,311	0.697%
											Weighted
790415-003	2005B/2006C Reserve Fund	FHLB	Note	AA+/AAA	12/18/2012	11/20/2015	2.92	\$ 350,000	0.500	\$ 350,157	0.330
		FNMA	Note	AA+/AAA	12/18/2012	11/15/2016	3.91	341,000	1.375	344,290	0.540
		FNMA	Note	AA+/AAA	12/18/2012	12/20/2017	5.01	351,000	0.875	351,888	0.800
		FNMA	Note	AA+/AAA	9/18/2013	9/18/2018	5.00	360,000	1.875	369,198	1.880
		US Bank	MMK	AAAAm				384,492	0.020	387,887	0.020
						Total			\$ 1,786,492	\$ 1,803,420	0.704%
											Weighted
790415-004	2005B Project Fund	US Bank	MMK	AAAAm				\$4,718,987.70	0.020	\$4,718,987.70	0.020
								Total		\$ 4,718,988	\$ 4,718,988
						Grand Total			\$ 7,709,306	\$ 7,737,719	0.263%
											Weighted



NORTH

CARMEL VALLEY

North City West School Facilities Financing Authority

Directors:

Eric Dill, Chairperson, San Dieguito Union High School District
Doug Rafner, Vice Chairperson, Del Mar Union School District
Terry Decker, Director, Solana Beach School District
Mark Risco, Executive Director and Board Secretary

ITEM 8A

CARMEL VALLEY MIDDLE SCHOOL EXPANSION

BACKGROUND: Section 2.02 (g) of the Facilities Funding Agreement (FFA) among the NCWSFFA member school districts allows for funding of the “expansion of the San Dieguito’s Carmel Valley Middle School to house and service an additional 213 students generated from the North City West Area.” San Dieguito has submitted an application for funding by NCWSFFA for facilities relating to this purpose. Exhibit 8A is a copy of SDUSD application for funding.

As of June 30, 2015 the amount encumbered per the FFA for the Carmel Valley Middle School Expansion was \$5,586,098. The NCWSFFA currently has sufficient funds to deposit this amount into the Fund 85 (21-39): Carmel Valley Middle School Expansion Fund.

FISCAL IMPACT: \$5,586,098

RECOMMENDED ACTION: Accept application dated December 2, 2015 from San Dieguito Union High School District for the funding of the Carmel Valley Middle School expansion permanent facilities and release the fund of \$5,586,098 to Fund 85 (21-39); Carmel Valley Middle School Expansion Fund.



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ITEM 8B

AMENDMENT TO FACILITIES FUNDING AGREEMENT

BACKGROUND: Section 2.02 (g) of the Facilities Funding Agreement (FFA) between the NCWSFFA member school districts allows for the transfer to each of the designated Overrun Funds the Available Amounts, as defined in the FFA, after the transfer to the Carmel Valley Middle School Expansion Fund (CVMSEF) has been completed. As of June 30, 2015, the Authority held \$5.6 million in available and encumbered funds for the Carmel Valley Middle School (CVMS) expansion pending transfer to the CVMSEF upon presentation to and acceptance by the Authority of the proposed the CVMS expansion facilities. Furthermore, the Authority holds an additional \$7.1 million in unencumbered funds as Available Amounts.

At the September 10, 2015 Authority board meeting, the member school districts requested that the FFA be amended to allow for the transfer of some or all of the \$7.1 million unencumbered funds to the Overrun Funds prior to the transfer to the CVMSEF to allow for the commencement of the payment of the Overrun Amounts. Such an amendment of the FFA is permissible pursuant to Section 5.05. when executed by all the parties.

FISCAL IMPACT: None

RECOMMENDED ACTION: Authorize Executive Director to initiate amendment to the Facilities Financing Agreement to allow for the funding of member agency Overrun Amounts prior to the complete transfer of the Carmel Valley Middle School Expansion Amount.



NORTH

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ITEM 8C

COMMUNITY FACILITIES DISTRICT NO. 3 FORMATION

BACKGROUND: In conjunction with the Mitigation Agreement with MKSRV dated June 17, 2015, the Authority is obligated to form a new Community Facilities District (CFD) by mid-March 2016, as agreed upon by both parties, to facilitate the payment of mitigation fees to the Authority by MKSRV through the levy of a special tax by such CFD.

The Authorities consultants and legal counsel have been drafting the appropriate documents relating to the formation. As part of the formation process, the Authority needs to set the date, time and place for the meetings to adopt the resolution approving a statement of local goals and policies regarding the use of the Mello-Roos Community Facilities Act of 1982, the resolutions initiating the proceedings to consider the formation for the CFD and setting the time and place to conduct the public hearing on the formation of the CFD and, following the public hearing, the resolution forming the CFD and setting the time for conducting a special election to authorize the levy of the special tax, the resolution declaring the results of the election and the introduction and waiver of first reading of an ordinance authorizing the levy of the special.

The resolution of intent must be adopted within 30-60 days prior to the public hearing and the public hearing must be at a regularly scheduled Board meeting.

FISCAL IMPACT: None

RECOMMENDED ACTION: Set the dates for CFD No. 3 formation action as 1) Resolutions initiating the proceedings to consider forming Community Facilities District No. 3 at a Special Meeting on _____, 2016 and 2) Public Hearing pertaining to the formation of Community Facilities District, adoption of the resolution of formation, the canvas of the ballots received, resolution declaring the results of the election and introduction and waiver of the first reading of the ordinance authorizing the levy of the special tax at the Regular Board meeting on March 10, 2016.



CARMEL VALLEY

North City West School Facilities Financing Authority

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ITEM 8D

INVESTMENT MANAGEMENT AGREEMENT

BACKGROUND: The Authority currently holds in trust with U.S. Bank (USB) over \$3.0 million in bond reserves and \$4.7 million in project funds. Item 6F of this agenda shows the list of investments held at USB.

Under the current investment selections made by the Executive Director, the portfolio is earning an average yield of .701% compared to the San Diego County investment pool rate of .320%, representing approximately \$11,400 per year in additional interest earnings. These investments include a laddered portfolio of U.S. government sponsored agencies approved as Permitted Investments under the bond indentures.

Recently, Willdan Financial Services elected not become a Registered Municipal Advisor and as such can no longer provide investment advisory services to clients. In order to allow the Authority to continue to a laddered trust investment portfolio with higher yielding government sponsored, staff is recommending the Authority contract USB's Global Trust Services, a Registered Municipal Advisor, to manage the trust fund investments.

Exhibit 8D is a proposal from USB Global Trust Services. Investment Management Fees for the Authorities current portfolio will be 0.20% (20 basis points) as shown on page 32 of the proposal.

FISCAL IMPACT: Approximately \$21,000 in investment income reduced by \$6,000 in investment advisory fees to USB.

RECOMMENDED ACTION: Authorize Executive Director to enter into an Investment Management Agreement with U.S. Bank Global Trust Services.



CARMEL VALLEY

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ITEM 8E

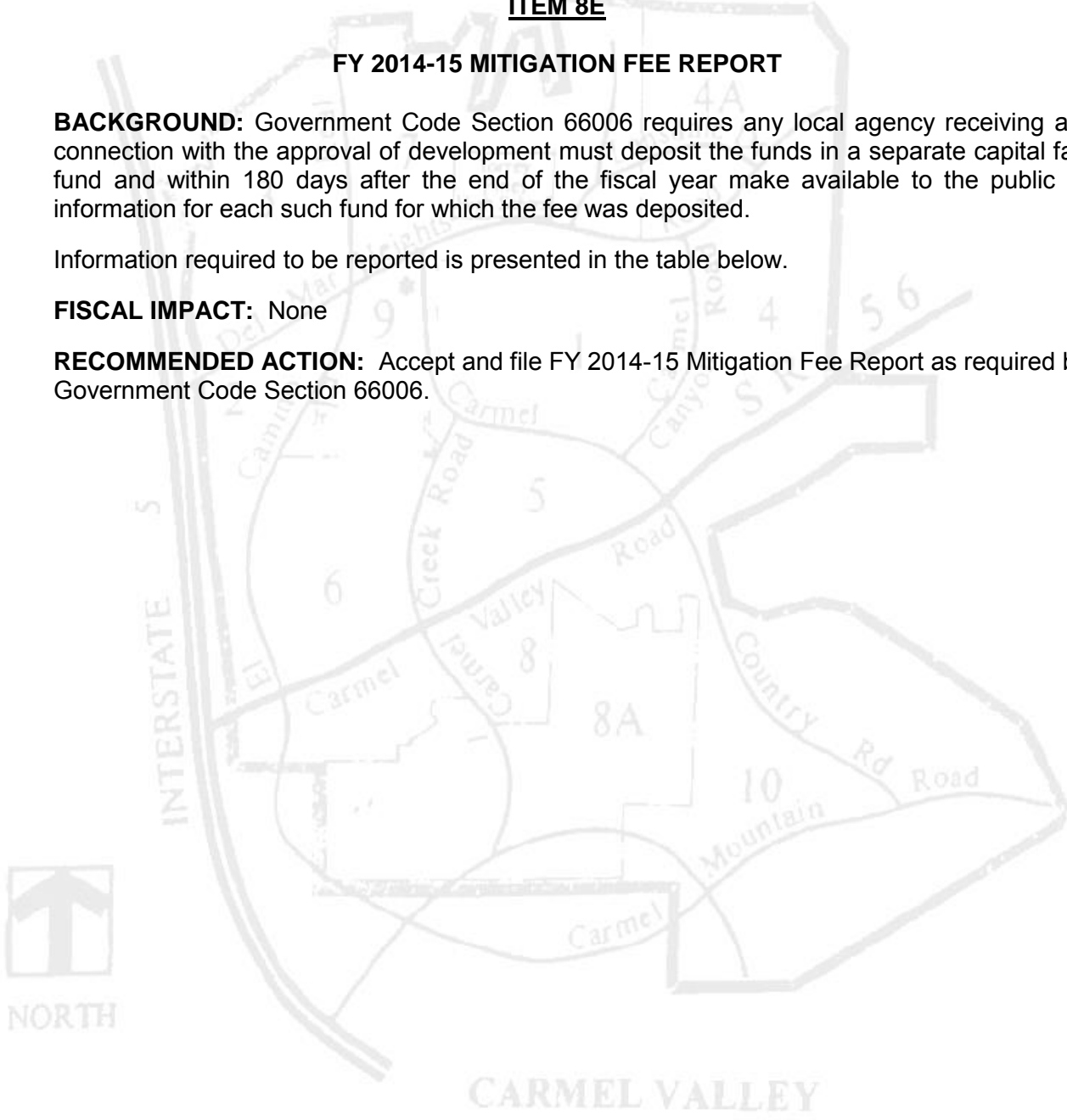
FY 2014-15 MITIGATION FEE REPORT

BACKGROUND: Government Code Section 66006 requires any local agency receiving a fee in connection with the approval of development must deposit the funds in a separate capital facilities fund and within 180 days after the end of the fiscal year make available to the public certain information for each such fund for which the fee was deposited.

Information required to be reported is presented in the table below.

FISCAL IMPACT: None

RECOMMENDED ACTION: Accept and file FY 2014-15 Mitigation Fee Report as required by Government Code Section 66006.



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ITEM 8E

**FY 2014-15 MITIGATION FEE REPORT
(continued)**

**North City West School Facilities Financing Authority
Annual Mitigation Fee Report (Govt. Code Section 66006)
Fiscal Year 2014-2015**

Description	Date	Fund 18 (25-18) Capital Facilities/ Mitigation Fees
<u>Receipts</u>		
Mitigation Fees ⁽¹⁾		\$ 287,063.00
Interest Earnings		119.01
Total Receipts		\$ 287,182.01
<u>Disbursements</u>		
Total Disbursements		\$ -
Net Activity		\$ 287,182.01
Beginning Fund Balance	7/1/2014	\$ -
Ending Fund Balance	6/30/2015	\$ 287,182.01

(1) Eleven SFR not in CFD 1 or CFD 2

Proposed Use of Funds

No new facilities are currently identified to be constructed.
 Monies in Fund 18 are designated for payment in 2016 of Overrun
 Amounts as defined in the Facilities Financing Agreement.

Prepared by Willdan Financial Services

