

## **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 December 14, 2017** 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 2:30 p.m.

#### **ROLL CALL**

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

#### **Quorum Achieved**

Other Personnel, Member Districts:

Lisa Davis, Alternate Director, Solana Beach School District  
Holly McClurg, Alternate Director, Del Mar Union School District  
Caroline Brown, Solana Beach School District  
Cathy Birks, Del Mar Union School District

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

#### **2. PLEDGE OF ALLEGIANCE**

#### **3. APPROVAL OF AGENDA**

Moved by Director Rafner, seconded by Director Decker to approve the December 14, 2017 agenda.  
Ayes: Dill, Decker, Rafner. Motion Carried: 3:0:0

#### **4. APPROVAL OF MINUTES**

Moved by Director Decker, seconded by Chairperson Dill to approve the minutes for the September 14, 2017 Regular Meeting.  
Ayes: Dill, Decker, Rafner. Motion Carried: 3:0:0

#### **5. PUBLIC COMMENT**

- There were no comments from the public.

#### **6. FINANCIAL REPORTS THROUGH SEPTEMBER 30, 2017**

- Mark Risco presented financial reports. There were no comments or discussion.

## 7. EXECUTIVE DIRECTORS REPORT

- FY 2016-17 audit completed. No adverse findings by auditor during annual audit.
- Final Audit Report will be presented at the March Regular Board Meeting.

## 8. ACTION ITEMS

A. Bob Quaid explained to the Board how overrun allocations were calculated.

- The allocation of overrun costs to the Authority for each school listed in the Facilities Funding Agreement was based on percentage of NCW students to total student population for each of the respective schools as projected in Facilities Financing Plan from 2001.
- The resulting percentages were applied to school overrun costs to determine the cost overruns payments due to each member school district.
- The calculation and overrun allocations were presented in an attachment to the agenda package for the Board to review and approve. Total overrun amounts payable to the member districts on completed school facilities were approximately \$20.9 million with \$12.5 million to Del Mar, \$5.3 million to Solana Beach and \$3.0 to San Dieguito, including an estimated \$1.8 future overrun for the Carmel Valley Middle School Expansion still under construction.
- Approximately \$9.5 million in unencumbered funds are currently available for distribution at September 30, 2017 with allocations pursuant to the Facilities Funding Agreement of approximately \$4.1 million each to Del Mar and Solana Beach and \$1.2 million to San Dieguito.
- The \$11.3 million balance of the overruns would be paid as additional special tax are levied each year and net revenues were received from the County. It was estimated full payout would take approximately 10 years as annual surplus revenue over expenditures are approximately \$1.1 million.
- Chairperson Dill directed Willdan Financial Services to provide quarterly analysis of projected surplus funds for distribution for Board to review.

Moved by Director Rafner, seconded by Director Decker to approve calculations of the reimbursable facilities cost overruns to member school district at September 30, 2017 and distributions of \$9,529,076 in unencumbered funds.

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

B. Motion by Director Rafner, seconded by Director Decker to approve allocation of Community Facilities District No. 3 Special Tax of \$2 million 52.53% to San Dieguito Union High School District and 47.47% to Del Mar Union School District and distribution of funds accordingly.

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

C. Motion by Director Decker, seconded by Director Rafner to approve allocation of One Paseo mitigation fees of \$3,636,288 52.53% to San Dieguito Union High School District and 47.47% Solana Beach School District and distribution of funds accordingly.

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

D. Motion by Director Rafner, seconded by Director Decker to approve North City West website design.

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

- E. Motion by Director Decker, seconded by Director Rafner to accept and file the Series 2002 Interim Arbitrage Rebate Analysis through September 2, 2017.  
Ayes: Decker, Dill, Rafner. Motion Carried: 3:0:0.
- F. Motion by Director Rafner, seconded by Director Decker to accept and file the Series 2005A, 2005B, and 2006C Interim Arbitrage Rebate Analysis through September 2, 2017.  
Ayes: Decker, Dill, Rafner. Motion Carried: 3:0:0.

**9. DISCUSSIONS**

- A. Board discussed possible clean up legislation regarding NCW direct deposit/mitigation fees.
- Cost benefit analysis will need to be prepared.
  - Chairman Dill will speak with Capital Advisors Group and Willdan will speak with Best Best & Krieger about actions required and potential cost to amend the existing legislation.
  - Special Board Meeting may be needed to decide action necessary to meet April legislative deadline.
- B. Discussion on new basis to calculate Direct Deposit Fees for fiscal years beginning in 2018.
- Willdan Financial Services will prepare three proposed direct deposit fee schedules using three separate indices including Marshall Swift Cost Index used in the Facilities Funding Agreement and the Consumer Price Index for San Diego area and present at next Regular Board Meeting.

**10. FUTURE DISCUSSION ITEMS**

- None.

**11. ADJOURNMENT OF MEETING**

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

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

Chairperson Dill adjourned the meeting at 3:21 P.M.

The next Regular Board Meeting will be on March 8, 2018 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075.



Board Secretary



Date