



Council Meeting Agenda

SPECIAL MEETING
MARCH 2, 2016
MITCHELL ROOM ~ 3:30 p.m.
201 N. Broadway, Escondido, CA 92025

MAYOR	Sam Abed
DEPUTY MAYOR	Michael Morasco
COUNCIL MEMBERS	Olga Diaz Ed Gallo John Masson
CITY MANAGER	Graham Mitchell
CITY CLERK	Diane Halverson
CITY ATTORNEY	Jeffrey Epp
DIRECTOR OF COMMUNITY DEVELOPMENT	Jay Petrek
DIRECTOR OF ENGINEERING SERVICES	Ed Domingue

ELECTRONIC MEDIA:

Electronic media which members of the public wish to be used during any public comment period should be submitted to the City Clerk's Office at least 24 hours prior to the Council meeting at which it is to be shown.

The electronic media will be subject to a virus scan and must be compatible with the City's existing system. The media must be labeled with the name of the speaker, the comment period during which the media is to be played and contact information for the person presenting the media.

The time necessary to present any electronic media is considered part of the maximum time limit provided to speakers. City staff will queue the electronic information when the public member is called upon to speak. Materials shown to the Council during the meeting are part of the public record and may be retained by the Clerk.

The City of Escondido is not responsible for the content of any material presented, and the presentation and content of electronic media shall be subject to the same responsibilities regarding decorum and presentation as are applicable to live presentations.

A black and white photograph of the Escondido City Council Building, a large, classical-style structure with a central dome and multiple arched windows. An American flag flies on a tall pole in front of the building. The scene is framed by a decorative border.

Council Meeting Agenda

MARCH 2, 2016

3:30 p.m.

Mitchell Room

**Special Meeting of the
Escondido City Council, Building Advisory and Appeals Board,
Library Board of Trustees, Personnel Board of Review and Transportation and
Community Safety Commission**

CALL TO ORDER

ROLL CALL: Diaz, Gallo, Masson, Morasco, Abed

ORAL COMMUNICATIONS

The public may address the Council on any item that is not on the agenda and that is within the subject matter jurisdiction of the legislative body. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. (Please refer to the back page of the agenda for instructions.)

PUBLIC HEARINGS

1. **CONDUCT A TEFRA HEARING AND ADOPT A RESOLUTION APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION, REHABILITATION, FURNISHING AND/OR EQUIPPING OF CHARTER SCHOOL FACILITIES FOR THE BENEFIT OF AMERICAN HERITAGE EDUCATION FOUNDATION, ESCONDIDO CHARTER HIGH SCHOOL DISTRICT, HERITAGE K-8 CHARTER SCHOOL AND AMERICAN HERITAGE CHARTER SCHOOLS –**

Request City Council hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA) to approve the issuance of revenue bonds by the California Municipal Finance Authority for the purpose of financing or refinancing the acquisition, construction and improvement of charter school facilities for the American Heritage Education Foundation, Escondido Charter High School District, Heritage K-8 Charter School, and American Heritage Charter Schools (the "Schools"), which are located in the City of Escondido. The bonds will not exceed \$40,000,000 of which approximately \$23.5 million will be attributable to refinancing bonds issued in 2006 (the "Project").

Staff Recommendation: **Approval (Finance Department: Sheryl Bennett)**

RESOLUTION NO. 2016-36

JOINT CITY COUNCIL AND BOARD/COMMISSION INTERVIEWS

3:30 – 4:00 p.m. Library Board of Trustees

Oral Communications

Brief description of the Library Board of Trustees (**Loretta McKinney**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Library Board of Trustees, and the role of the Library Board of Trustees in City Government.

Adjournment

4:00 – 4:15 p.m. Personnel Board of Review

Oral Communications

Brief description of the Personnel Board of Review (**Sheryl Bennett**)

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Personnel Board of Review, and the role of the Personnel Board of Review in City Government.

Adjournment

4:15 – 4:45 p.m. Transportation and Community Safety Commission

Oral Communications

Brief description of the Transportation & Community Safety Commission **(Ali Shahzad)**

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Transportation & Community Safety Commission and the role of the Transportation & Community Safety Commission in City Government.

Adjournment

4:45 – 5:00 p.m. Building Advisory and Appeals Board

Oral Communications

Brief description of the Building Advisory & Appeals Board **(Tim Draper)**

Discussion among Council, current Board/Commission members and applicants regarding expectations and responsibilities and duties associated with membership on the Building Advisory & Appeals Board, and the role of the Building Advisory & Appeals Board in City Government.

Adjournment

ADJOURNMENT

UPCOMING MEETING SCHEDULE				
Date	Day	Time	Meeting Type	Location
March 9	-	-	No Meeting	-
March 16	Wednesday	3:30 p.m.	Board & Commission Interviews	Mitchell Room
March 23	Wednesday	3:30 & 4:30 p.m.	City Council Meeting	Council Chambers
March 30	-	-	No Meeting	-

TO ADDRESS THE COUNCIL

The public may address the City Council on any agenda item. Please complete a Speaker's form and give it to the City Clerk. Comments are generally limited to 3 minutes.

If you wish to speak concerning an item *not* on the agenda, you may do so under "Oral Communications." Please complete a Speaker's form as noted above.

Handouts for the City Council should be given to the City Clerk. To address the Council, use the podium in the center of the Chambers, STATE YOUR NAME FOR THE RECORD and speak directly into the microphone.

AGENDA, STAFF REPORTS AND BACK-UP MATERIALS ARE AVAILABLE:

- Online at <http://www.ci.escondido.ca.us/government/agendas/PublishedMeetings.htm>
- In the City Clerk's Office at City Hall
- In the Library (239 S. Kalmia) during regular business hours and
- Placed in the Council Chambers (See: City Clerk/Minutes Clerk) immediately before and during the Council meeting.

AVAILABILITY OF SUPPLEMENTAL MATERIALS AFTER AGENDA POSTING: Any supplemental writings or documents provided to the City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's Office located at 201 N. Broadway during normal business hours, or in the Council Chambers while the meeting is in session.

LIVE BROADCAST

Council meetings are broadcast live on Cox Cable Channel 19 and U-verse Channel 99 – Escondido Gov TV. They can also be viewed the following Sunday and Monday evenings at 6:00 p.m. on those same channels. The Council meetings are also available live via the Internet by accessing the City's website at www.escondido.org, and selecting: City Council/broadcasts of City Council Meetings/live video streaming.

Please turn off all cellular phones and pagers while the meeting is in session.

**The City Council is scheduled to meet the first four Wednesdays
of the month at 3:30 in Closed Session and 4:30 in Open Session.
(Verify schedule with City Clerk's Office)**

**Members of the Council also sit as the Community Development Commission
and the Mobilehome Rent Review Board.**

**CITY HALL HOURS OF OPERATION
Monday-Thursday 7:30 a.m. to 5:30 p.m.**



If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 839-4643. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

Listening devices are available for the hearing impaired – please see the City Clerk.

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 1
Date: March 2, 2016

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Director of Administrative Services
Joan Ryan, Assistant Director of Finance

SUBJECT: Conduct a TEFRA hearing and adopt a resolution approving the issuance of revenue bonds by the California Municipal Finance Authority for the purpose of financing or refinancing the acquisition, construction, rehabilitation, furnishing and/or equipping of charter school facilities for the benefit of American Heritage Education Foundation, Escondido Charter High School District, Heritage K-8 Charter School, and American Heritage Charter Schools

RECOMMENDATION:

It is recommended that the City Council hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA) to approve the issuance of revenue bonds by the California Municipal Finance Authority for the purpose of financing or refinancing the acquisition, construction and improvement of charter school facilities for the American Heritage Education Foundation, Escondido Charter High School District, Heritage K-8 Charter School, and American Heritage Charter Schools (the "Schools"), which are located in the City of Escondido. The bonds will not exceed \$40,000,000 of which approximately \$23.5 million will be attributable to refinancing bonds issued in 2006 (the "Project").

FISCAL ANALYSIS:

There is no fiscal impact to the City. The purpose of this agenda item is to facilitate a public hearing, and adopt a Resolution to approve the issuance of these revenue bonds by CMFA for this Project. CMFA will then conduct its own process to actually issue the bonds, and investors will look only to the American Heritage Charter Schools for repayment of the bonds. The City, therefore, has no financial, or legal obligation, nor liability or responsibility for this Project or the repayment of the bonds issued pursuant to this Resolution.

PREVIOUS ACTION:

On December 11, 2013, the City Council adopted Resolution No. 2013-170 approving, authorizing and directing execution of a Joint Exercise of Powers Agreement relating to the City's membership in the California Municipal Finance Authority (the "CMFA"). The City is therefore an authorized CMFA

Conduct a TEFRA Hearing and Adopt Resolution 2016-36
Approving the Issuance of Revenue Bonds for the American Heritage Education Foundation
Page 2

Member and an “applicable elected representative” that is suitable for the Schools to use to conduct this hearing.

BACKGROUND:

The American Heritage Education Foundation, a California nonprofit corporation established to support the operations of the American Heritage family of California public charter schools (the “Borrower”), has requested that the California Municipal Finance Authority (CMFA) issue tax-exempt revenue bonds in the maximum principal amount of \$40 million for the purpose of making a loan to the Borrower, to enable the Borrower to (1) finance or refinance the costs of the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located at (a) 1845-75 East Valley Parkway, (b) 1868 East Valley Parkway, (c) 2255 East Valley Parkway, and (d) 463 Midway Drive, all in Escondido, California (collectively, the “Facilities”); (2) fund one or more reserve funds with respect to the Bonds; and (3) pay certain expenses incurred in connection with the issuance of the Bonds.

In order for the interest on the Bonds to be tax-exempt to investors, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that an “applicable elected representative” of the governmental unit, in the geographic jurisdiction where the site of facilities to be financed with the proceeds of the Bonds is located, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing.

The City of Escondido is a member agency of CMFA, and CMFA has the authority to serve as the issuer of these tax-exempt revenue bonds, to obtain funds to make loans to finance nonprofit projects for healthcare, education and cultural facilities. CMFA was created on January 1, 2004 and is a public entity, separate and apart from its members, so the debts, liabilities and obligations of CMFA do not constitute debts, liabilities or obligations of its members. CMFA provides that any member may withdraw from the Agreement upon written notice to the Board of Directors of the CMFA at any time.

Staff is recommending that the City Council adopt Resolution 2016-36 approving CMFA’s issuance of revenue bonds for the purpose of funding and refinancing the acquisition, construction and improvement of certain facilities for the benefit of the American Heritage family of Charter Schools.

Respectfully submitted,


Sheryl Bennett
Director of Administrative Services


Joan Ryan
Assistant Director of Finance

RESOLUTION NO. 2016-36

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING THE ISSUANCE BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY OF REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING THE ACQUISITION, CONSTRUCTION REHABILITATION, FURNISHING AND/OR EQUIPPING OF CERTAIN PUBLIC CHARTER SCHOOL FACILITIES FOR THE BENEFIT OF AMERICAN HERITAGE EDUCATION FOUNDATION, ESCONDIDO CHARTER HIGH SCHOOL DISTRICT, HERITAGE K-8 CHARTER SCHOOL AND AMERICAN HERITAGE CHARTER SCHOOLS

WHEREAS, the California Municipal Finance Authority (the "Authority") was formed pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), by certain public agencies (the "Members") who have entered into a Joint Exercise of Powers Agreement dated as of January 1, 2004 (the "Agreement") for the purpose of promoting economic, cultural and community development, and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the City of Escondido (the "City") is a Member of the Authority; and

WHEREAS, the Authority is authorized to issue and sell revenue bonds for the purpose, among others, of financing or refinancing the construction of capital projects; and

WHEREAS, American Heritage Education Foundation (the "Borrower") and Escondido Charter High School District, Heritage K-8 Charter School and American Heritage Charter Schools (collectively, the "Lessees") have requested that the Authority

issue and sell revenue bonds in the maximum principal amount of \$40,000,000 (the “Bonds”) for the purpose of making a loan to the Borrower, to enable the Borrower to (1) finance or refinance the costs of the acquisition, construction, improvement, renovation and equipping of certain public charter school facilities located at (i) 1845-75 East Valley Parkway, (ii) 1868 East Valley Parkway, (iii) 2255 East Valley Parkway, and (iv) 463 Midway Drive, all in Escondido, California (collectively, the “Facilities”); (2) fund one or more reserve funds with respect to the Bonds; and (3) pay certain expenses incurred in connection with the issuance of the Bonds (the “Project”); and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that an “applicable elected representative” of the governmental unit, the geographic jurisdiction where the site of facilities to be financed with the proceeds of the Bonds is located, hold a public hearing on the issuance of the Bonds and approve the issuance of the Bonds following such hearing; and

WHEREAS, the Authority has determined that the City Council is an “applicable elected representative” for purposes of holding such hearing; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and, the requirements of Section 4 of the Agreement; and

WHEREAS, notice of such public hearing has been duly given as required by the Code, as there has been published, at least 14 days prior to the date hereof, in a

newspaper of general circulation, printed and published in the County and circulated in the City, a notice that a public hearing regarding the Bonds would be held on the date specified in such notice, and this City Council has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing or refinancing of the Project and the Authority's issuance of the Bonds therefor; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS;

1. The foregoing resolutions and recitations are true and correct.
2. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds (a) by the "applicable elected representative" of the governmental unit having jurisdiction over the area in which the Project is located in accordance with Section 147(f) of the Code and; (b) by the City Council in accordance with Section 4 of the Agreement.
3. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

5. The executing officers(s), the Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

6. The Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Ronald E. Lee, Esq.
Jones Hall, a Professional Law Corporation
650 California Street, 18th Floor
San Francisco, California 94108

7. This Resolution shall take effect immediately upon its passage.