



COMMUNITY FACILITIES DISTRICT NO. 2 MEETING

April 23, 2009

(Meeting to Follow the Regular Board of Education Meeting)

AGENDA

I. CALL TO ORDER

Roll Call

Mrs. Marge Mendoza-Ware (President)	_____
Mr. Mel Albiso (Vice President)	_____
Mr. David R. Zamora (Clerk)	_____
Mr. Robert D. Armenta, Jr.	_____
Mrs. Patt Haro	_____
Mr. Frank A. Ibarra	_____
Mr. Kent Taylor	_____
Mr. James A. Downs	_____
Mr. Jerry Almendarez	_____
Mrs. Yolanda Cabrera	_____
Mr. Mike Snellings	_____
Mr. Jaime R. Ayala	_____
Mrs. Bertha Arreguín	_____
Dr. Diane D'Agostino	_____
Mrs. Mollie Gainey-Stanley	_____
Mrs. Alice Grundman	_____
Mr. Todd Beal	_____
Mrs. Ingrid Munsterman	_____
Ms. Julia Nichols	_____
Ms. Sosan Schaller	_____
Dr. Patrick Traynor	_____
Ms. Katie Orloff	_____
Mrs. Chris Estrada	_____

II. ACTION SESSION

1. Approval to Renew Three-Year Agreement with Special District Financing and Administration to Provide Special Tax Consulting Services Related to Community Facilities District No. 2 (May 1, 2009 through April 30, 2012)

III. ADJOURNMENT

BOARD AGENDA

**REGULAR MEETING
April 23, 2009**

ACTION ITEM

TO: **Community Facilities District Board**

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: **Approval to Renew Agreement with Special District Financing and Administration to Provide Special Tax Consulting Services Related to Community Facilities District No. 2 (May 1, 2009-April 30, 2012)**

GOAL: Facilities/Support Services/Budget Planning

STRATEGIC PLAN: Strategy #4 -- Facilities: We will develop and implement a facilities master plan that will provide functional and equitable facilities to accommodate all students and staff.

BACKGROUND: In conjunction with the formation, and issuance of land-secured debt for Community Facilities District No. 2 (CFD), Special District Financing and Administration (SDFA) provided special tax consulting services to the Colton Joint Unified School District. The current agreement expires April 30, 2009. Their services are still necessary to continue to assist the District in the ongoing administration of the CFD and preparation of required disclosure documents.

BUDGET IMPLICATIONS:

<u>Admin Fee Component</u>	<u>CFD No. 2</u>	<u>New CFDs</u>
Flat Fee Charge - Per CFD	\$1,500.00	TBD
Per Parcel Charge - Current Parcels	\$2.00	\$2.00
Per Parcel Charge - New Parcels	\$4.00	\$4.00

(1) Base Fee for new CFDs to be determined (TBD) but will range between \$1,000 and \$3,000 and is dependent upon specific taxing requirements. To be paid from CFD funds.

RECOMMENDATION: That the Board approve the Agreement with the Special District Financing and Administration to provide special tax consulting services related to Community Facilities District No. 2 (May 1, 2009-April 30, 2012).

ACTION: On motion of Board Member _____ and _____, the Board approved the agreement with the Special District Financing and Administration to provide special tax consulting services related to Community Facilities District No. 2 (May 1, 2009-April 30, 2012).

**AGREEMENT
FOR CONSULTING SERVICES
BETWEEN**

**COLTON JOINT UNIFIED SCHOOL DISTRICT
("DISTRICT")**

AND

**SPECIAL DISTRICT FINANCING & ADMINISTRATION
("CONSULTANT")**

THIS AGREEMENT made and entered into as of the _____ day of _____, 2009, by and between the COLTON JOINT UNIFIED SCHOOL DISTRICT hereinafter referred to as "DISTRICT" and SPECIAL DISTRICT FINANCING & ADMINISTRATION, hereinafter referred to as "CONSULTANT".

RECITALS

WHEREAS, DISTRICT requires the services of CONSULTANT to provide annual special tax consulting and annual tax roll billing services for Community Facilities District (CFD) No. 2.

WHEREAS, CONSULTANT has the expertise necessary to provide such services;

WHEREAS, DISTRICT is permitted to contract for special district administrative and consulting services under Government Code §53060;

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein DISTRICT and CONSULTANT agree as follows:

1. CONSULTANT'S OBLIGATION

On or before August 10, 2009, and annually thereafter for the term of this Agreement, CONSULTANT will determine the total costs for each CFD and allocate to all parcels within the respective CFD according to the "Rate and Method of Apportionment" which is included in the DISTRICT's Resolutions. CONSULTANT will calculate the Special Tax on each parcel within the respective CFDs and submit them to the San Bernardino County Auditor on magnetic tape in the required format. A suitable copy of this submittal will be provided to the DISTRICT. The attached Exhibit 'A' identifies the specific Scope of Work to be performed by CONSULTANT. Consultant will also prepare and disseminate various continuing disclosure documents as set forth in the Continuing Disclosure Agreement (CDA) of the Series 2004 Special Tax Bonds.

2. ADDITIONAL SERVICES

When authorized in writing by the DISTRICT, CONSULTANT shall perform or obtain from other CONSULTANTS or subcontractors approved by the DISTRICT, additional services not otherwise provided for in this Agreement. Said additional services shall be paid for by DISTRICT, as provided in Section 4 of this Agreement.

3. PERIOD OF SERVICE

CONSULTANT will provide services under this Agreement for a three (3) year period commencing on May 1, 2009 and will diligently perform as required herein. Expiration of this Agreement will be on April 30, 2012, unless sooner terminated as provided for in Paragraph 5 hereunder. Work shall proceed in a diligent manner according to schedule, recommended by CONSULTANT and approved by the DISTRICT, so that the required submittal may be provided to the San Bernardino County Auditor on or before the Auditor's submittal deadline in each year.

4. FEES TO BE PAID TO CONSULTANT

DISTRICT shall pay CONSULTANT for services described under Section 1 – Annual Tax Roll Billing Services and as further described in Exhibit 'A' of this Agreement on a flat fee charge plus a per parcel charge as shown below:

Annual Tax Roll Billing Services

<u>Admin Fee Component</u>	<u>CFD No. 2</u>	<u>New CFDs</u>
Flat Fee Charge- Per CFD ⁽¹⁾	\$1,500	TBD
Per Parcel Charge – Current Parcels	\$2.00	\$2.00
Per Parcel Charge - New Parcels	\$4.00	\$4.00

(1) Base Fee for new CFDs to be determined (TBD) but will range between \$1,000 and \$3,000 and is dependent upon specific taxing requirements.

For each fiscal year the per parcel charge for "current" parcels will apply to all parcels that were applied to the tax roll in the preceding fiscal year. The per parcel charge for "new" parcels will apply to all additional and/or combined parcels that must be applied for the current fiscal year.

DISTRICT shall pay CONSULTANT for continuing disclosure services as described under Section 1 of this Agreement and for additional services described under Section 2 of this Agreement on an

hourly basis in accordance with the "Schedule of Hourly Billing Rates" attached as "Exhibit B" or negotiated at the time the services are required. Exhibit "B" is subject to revision on or about July 1 of every year to reflect salary and wage increases although any increase in hourly rates will not exceed three-percent (3%) per year.

CONSULTANT services for Mello-Roos Community Facilities District Administration Services will be invoiced quarterly in four equal installments in advance.

5. TERMINATION

DISTRICT or CONSULTANT, at any time, for any reason, may terminate this Agreement and compensate CONSULTANT only for services rendered to the date of termination. A thirty-day written notice given by either party shall be deemed sufficient notification to terminate this Agreement. Such notification by the DISTRICT shall be sufficient to stop further performance of services by CONSULTANT. Upon notification of termination by either DISTRICT or CONSULTANT, all finished and unfinished documents including (i) all historical files, (ii) copies of special tax reports, (iii) other original correspondence, (iv) copies of electronic data files used to submit to the tax roll, and (v) full-size assessor's parcel maps with development notations, if any, shall, at the option of the DISTRICT become DISTRICT's sole and exclusive property. If the Agreement is terminated by the DISTRICT as provided in this Section, CONSULTANT shall be entitled to receive compensation for any satisfactory work completed between the receipt of notice of termination and the effective date of termination pursuant to specific request by District for the performance of such work.

6. GENERAL PROVISIONS

CONSULTANT is, and shall at all times, be deemed to be an independent contractor, and shall be responsible for determining the sequence, method, details and manner in which it performs those services required under the terms of this Agreement. Nothing herein contained shall be construed as creating a relationship of employer and employee, or principal and agent, between DISTRICT and CONSULTANT or any of CONSULTANT'S agents or employees. CONSULTANT assumes exclusively the responsibility for the acts of its employees or agents as they relate to the services to be provided during the course and scope of their employment. CONSULTANT, its agents and employees, shall not be entitled to any rights and/or privileges of DISTRICT'S employees and shall not be considered in any manner to be DISTRICT'S employees.

7. INDEMNIFICATION

CONSULTANT shall hold harmless from all liability and indemnify the DISTRICT, its officers, and employees against every third-party claim or demand which may arise from acts, errors or omissions resulting from CONSULTANT's negligence.

8. AVAILABILITY OF DOCUMENTS

Pursuant to and in accordance with the provisions of Government Code Section 8546.7, or any amendments thereto, all books, records and files of CONSULTANT, or any subconsultant connected with the performance of this Agreement involving the expenditure of public funds in excess of Ten Thousand Dollars (\$10,000) shall be subject to the examination and audit of the State Auditor of the State of California, at the request of DISTRICT or as part of any audit of DISTRICT, for a period of three (3) years after final payment is made under this Agreement. CONSULTANT shall preserve and cause to be preserved such books, records and files for the audit period.

IN WITNESS WHEREOF, this Agreement has been executed by the parties through their duly authorized representatives as of the date first herein above written.

**SPECIAL DISTRICT FINANCING &
ADMINISTRATION**

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

By: Jeff Hamill

By: _____

Title: Principal

Title: _____

Date: April 8, 2009

Date: _____

EXHIBIT A

**SCOPE OF WORK
FOR
COMMUNITY FACILITIES DISTRICTS
ANNUAL TAX ROLL BILLING SUBMITTAL**

1. Determine Annual Tax Roll Billing Requirements

Prepare a worksheet for the District reflecting cost recovery needs. SDFA will work with the facilities department of the School District to complete the worksheet.

2. Update Data Files with New Parcel Information

Using building permit, certificate of compliance and assessor's parcel map information, identify all new assessor parcel numbers that are subject to the special tax for the current fiscal year and integrate this information with all prior year's data. Parcels not yet developed will be tracked and incorporated in the spread of special taxes each year to ensure future taxation.

3. Calculate, Apportion and Submit Special Taxes

Will calculate and apportion the special taxes pursuant to the Rate and Method of Apportionment and submit to the San Bernardino County Auditor in the required format.

4. Process all Unapplied Charges

Will research, recalculate and resubmit any unapplied charges as necessary. Any unapplied charges that cannot be placed on the secured roll will be invoiced manually.

5. Prepare Annual Special Tax Report

Will prepare an Annual Special Tax Levy Report. This report will include i) the identification and recovery of all CFD administrative costs; ii) a review of fund balances; iii) identification of current debt service requirements; iv) a summary of delinquencies and v) pertinent recommendations and CFD issues.

6. Maintain Parcel Database

Will maintain and periodically update an electronic database containing parcel basis data and annual special tax levy amounts by Assessor's Parcel Number.

7. Monitor Delinquencies

Will monitor delinquencies each January and May and submit periodic reports to the District. Reports will reflect delinquent parcels for which initiation of judicial foreclosure and/or other legal proceedings may be necessary. SDFA will provide electronic payment data to District for District posting and update. Delinquency Reports prepared by SDFA will rely on and reflect the posting activities of the District.

Pursuant to foreclosure covenants and at the District's request, delinquency reminder and foreclosure letters will be prepared and mailed to delinquent property owners. A listing of property owners who do not comply with payment requests will be forwarded to the District and to District's counsel for further action. Such letters, strip requests and other delinquency/foreclosure activities will be considered to be additional services and will be

billed to the District in accordance with our schedule of hourly billing rates.

8. Attend Board Meetings

Will be available to attend Board meetings as requested by the District.

9. Calculate Special Tax Prepayments

Will calculate written prepayment quotes for individual special tax liens, as described in the Rate and Method of Apportionment of Special Tax, or other resolution. For parcels prepaying the special tax, SDFA will coordinate the removal of the lien (services will be provided on an hourly basis and charged to the requesting party).

EXHIBIT B

**HOURLY RATES
FOR
ADDITIONAL SERVICES**

Principal	\$120.00
Senior Associates	\$90.00
Associates	\$75.00
Support Staff	\$45.00

Hourly rates are subject to increase, not-to-exceed the annual increase in the Consumer Price Index within the applicable area. The Colton Joint Unified School District will be notified in writing of any increase in these rates at least 30 days in advance of any effective increase.