



**BOARD OF TRUSTEES
WORKSHOP**

Board of Trustees
Joyce Dalessandro
Beth Hergesheimer
Amy Herman
Maureen "Mo" Muir
John Salazar

Superintendent
Eric R. Dill

Union High School District

**THURSDAY, SEPTEMBER 14, 2017
4:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA 92024**

Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.

PUBLIC COMMENTS

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name before making your presentation.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, special meeting public comments are limited to item(s) on the published agenda. Unless placed on the published agenda, no discussion or action may be taken by the Board of Trustees.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, www.sduhsd.net and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

CLOSED SESSION

The Board may meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

CELL PHONES / ELECTRONIC DEVICES

As a courtesy to all meeting attendees, please set cell phones and electronic devices to silent mode and engage in conversations outside the meeting room.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
WORKSHOP AGENDA**

**THURSDAY, SEPTEMBER 14, 2017
4:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

The Governing Board of the San Dieguito Union High School District has scheduled a Board Workshop for Thursday, September 14, 2017, at the above location, in the Board Room.

1. CALL TO ORDER **4:30 PM**

2. PUBLIC COMMENTS

In accordance to the Brown Act, special meeting public comments are limited to item(s) on the published agenda. Unless placed on the published agenda, no discussion or action may be taken by the Board of Trustees. (*See Board Agenda Cover Sheet for further information on public comments.*)

INFORMATION ITEMS

3. FACILITIES / PROP AA UPDATE

This item is being submitted as an update and as information only.

4. ADJOURNMENT

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: September 8, 2017

BOARD MEETING DATE: September 14, 2017

PREPARED BY: Tina Douglas, Assoc. Supt. of Business Services

SUBMITTED BY: Eric R. Dill, Superintendent

SUBJECT: BOARD WORKSHOP – FACILITIES / PROP AA UPDATE

EXECUTIVE SUMMARY

Staff will present the attached materials at the Board Workshop on September 14, 2017. Topics for discussion include:

- Facilities / Prop AA Projects Update
- Demographics
- History of Financing
- Parameters of Continued Financing / Series D
- Community Facilities Districts

RECOMMENDATION:

This item is being submitted as information for review.

FUNDING SOURCE:

Not applicable.

Facilities / Prop AA Update

**San Dieguito Union High School District
Board Workshop – September 14, 2017**

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- ▶ Completed Projects for 2016-17
- ▶ Current Projects
- ▶ Upcoming Projects
- ▶ Demographics
- ▶ History of Financing
- ▶ Series D – Proposed Projects, Draw, and Financing Program
- ▶ Mello-Roos Financing and Proposed Projects
- ▶ Next Steps

Completed Projects

CCA – Building B



EWMS – Campus Re-Construction



LCC- Media Center Landscaping



SDHSA- Math & Science Bldg.



TPHS-Culinary Arts



Completed and Ongoing Projects – Capital Facilities

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CCA
Quest Lab
Project

SDHSA
*Learning Commons
*Tennis Court Wall

DNO
Shade
Structures

LCV
Drainage
Improvement

LCC
*Baseball Netting
*Walkway Pole Replacement
*Backflow Firewater Valve
Improvement

TPHS
Scoreboard

Current Projects

CVMS – Drama & Music Classrooms

Project Budget: \$6,297,750.00

Est. Start Date: 6/19/17

Est. Completion Date: 8/27/18



OCMS – Science Classroom/Quad

Project Budget: \$13,001,223.25

Est. Start Date: 6/19/17

Est. Completion Date: 8/27/18



Current Projects

PTMS- 2nd Classroom Building

Project Budget: \$19,403,133.55

Est. Start Date: 8/3/17

Est. Completion Date: 8/27/18



SDHSA- Culinary Arts

Project Budget: \$3,328,024.00

Est. Start Date: 6/19/17

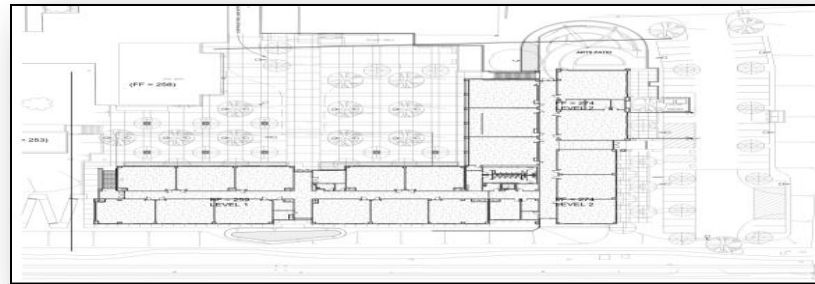
Est. Completion Date: 11/30/17



Upcoming Projects 2017

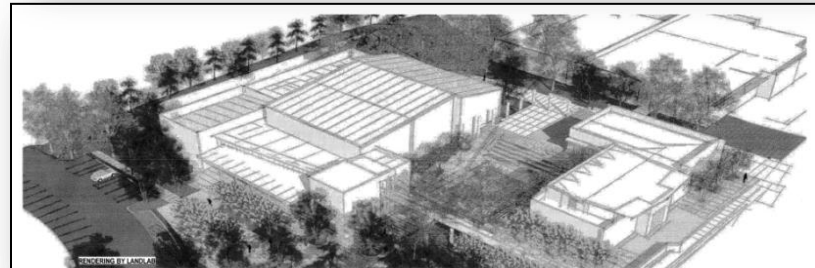
▶ SDHSA

- ▶ Arts & Humanities Bldg. (formerly ESA Bldg.)
 - ▶ Est. Start Date: November 3, 2017
 - ▶ Est. Completion Date: July 2019
 - ▶ Project Budget: \$29,271,814.00



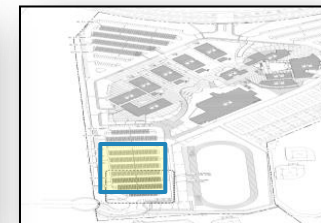
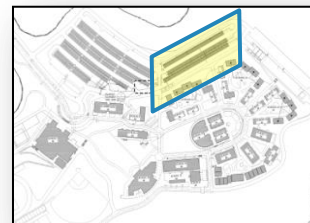
▶ TPHS

- ▶ Performing Arts Center
 - ▶ Est. Start Date: October 13, 2017
 - ▶ Est. Completion Date: June 2019
 - ▶ Project Budget: \$24,030,308.15



▶ SOLAR

- ▶ La Costa Canyon High School (440 kW – 947.5 existing)
- ▶ Canyon Crest Academy (306kW – 1118kW existing)
 - ▶ Est. Start Date: September 15, 2017
 - ▶ Est. Completion Date: December 31, 2017
 - ▶ Project Budget: \$3,212,373.00



Upcoming Projects 2018

▶ SOLAR

- ▶ Carmel Valley Middle School
 - ▶ Est. Start Date: June 2018
 - ▶ Est. Completion Date: December 2018
 - ▶ Project Budget: \$1,128,207.37

▶ FIELD RENOVATION

- ▶ Carmel Valley Middle School
 - ▶ Est. Start Date: June 2018
 - ▶ Est. Completion Date: December 2018
 - ▶ Est. Project Budget: \$1,282,500.00



Upcoming Projects 2018

▶ DNO

- ▶ Building P and Renovation of Buildings B & G
 - ▶ Est. Start Date: June 2018
 - ▶ Est. Completion Date: August 2019
 - ▶ Project Budget: \$8,913,873.77



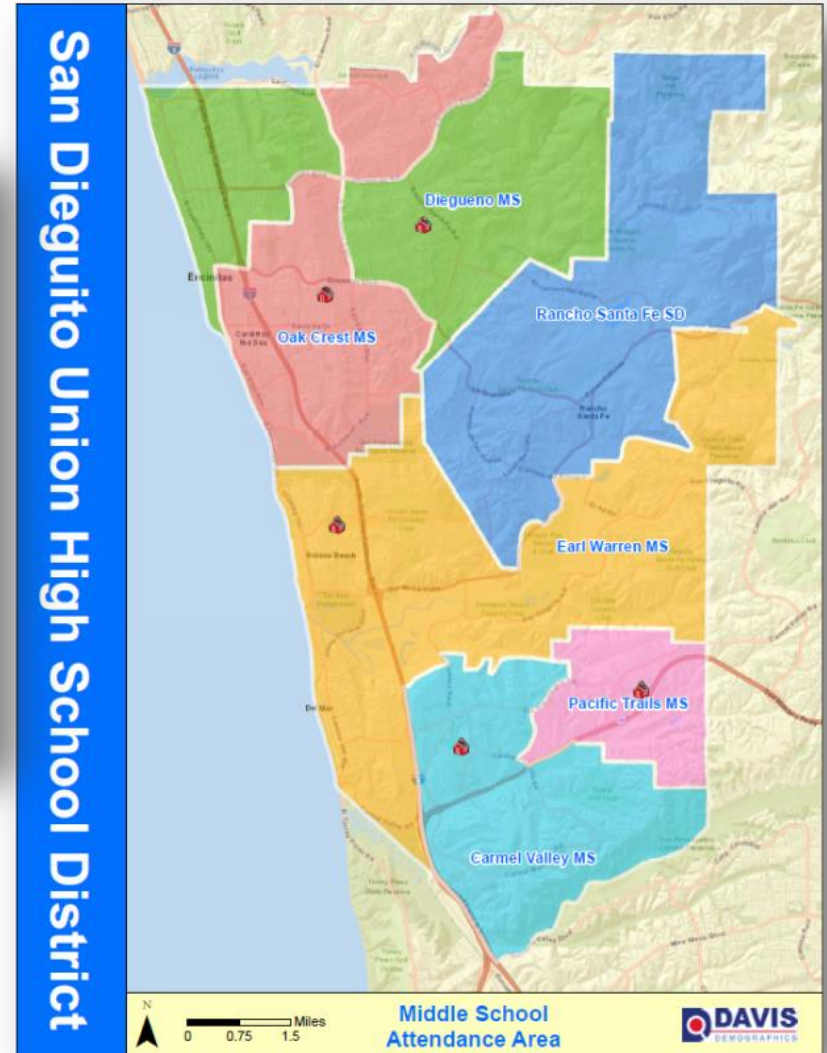
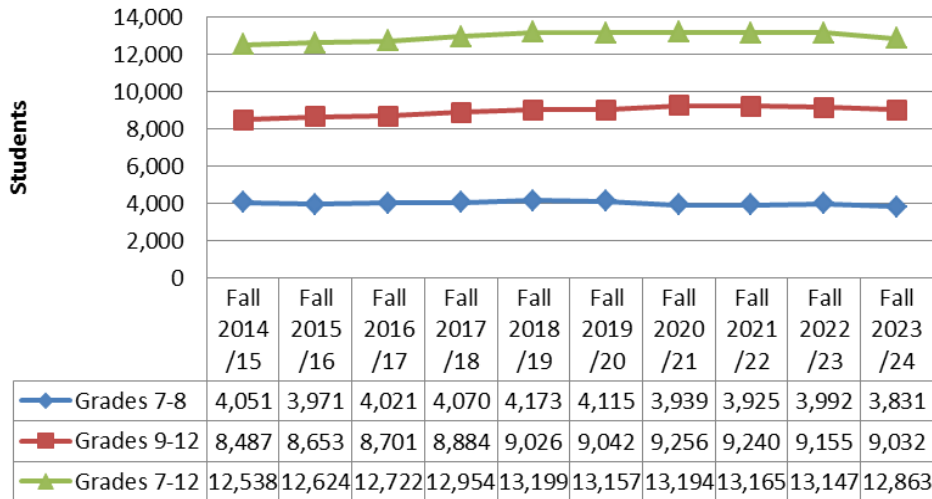
▶ CCA

- ▶ Field Lights
 - ▶ Est. Start Date: June 2018
 - ▶ Est. Completion Date: August 2018
 - ▶ Project Budget: Est. \$800,000.00



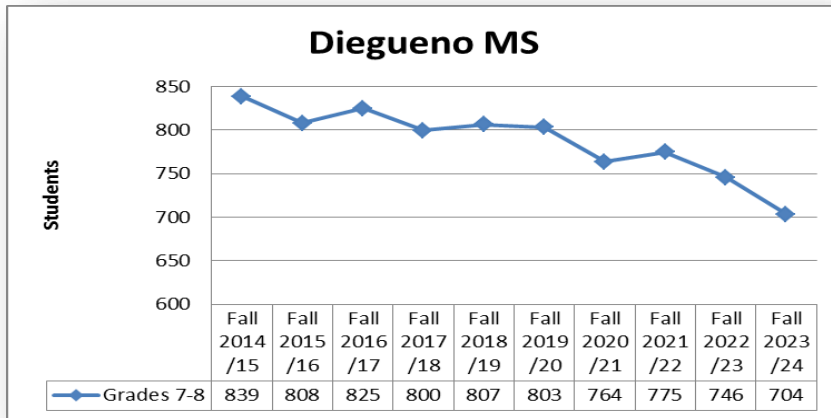
Demographics

District Wide Projection

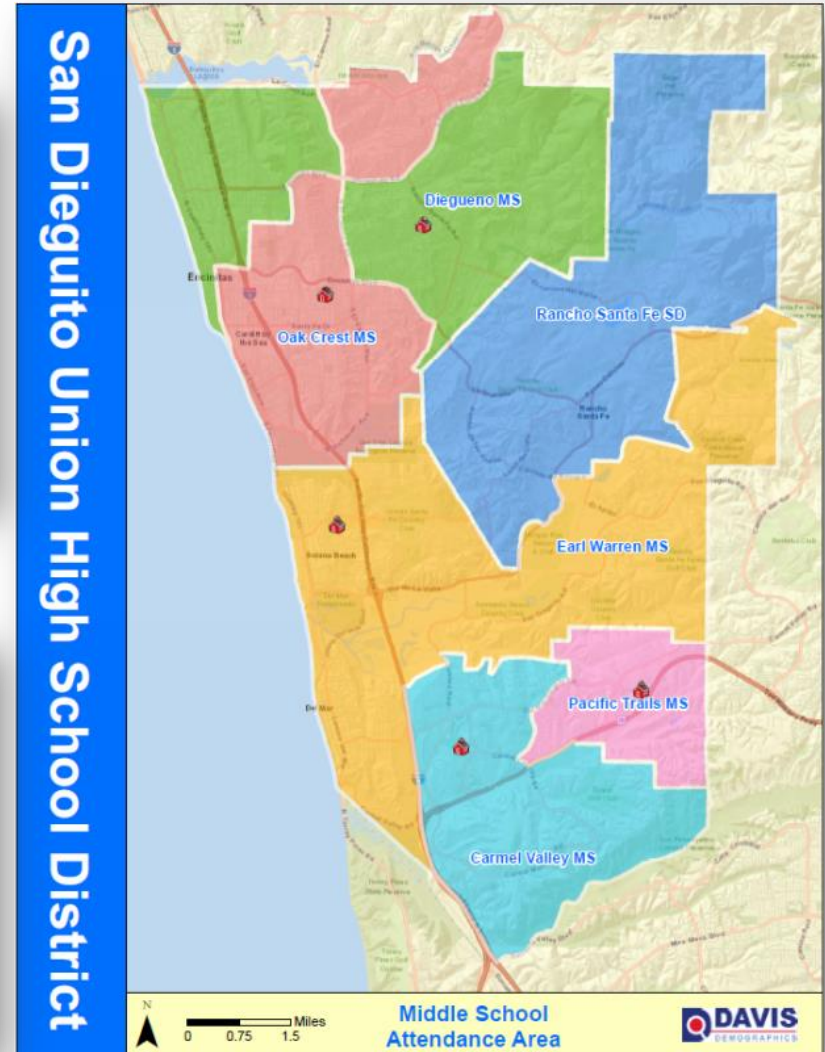
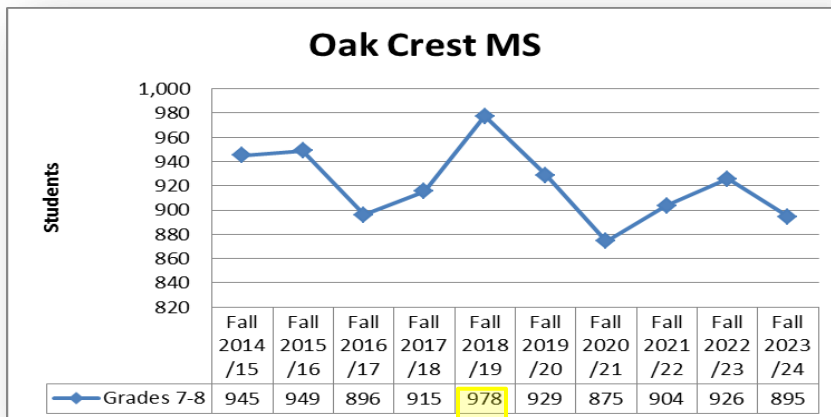


Demographics – Middle Schools

September 1st Enrollment: 953 Capacity: 1,133

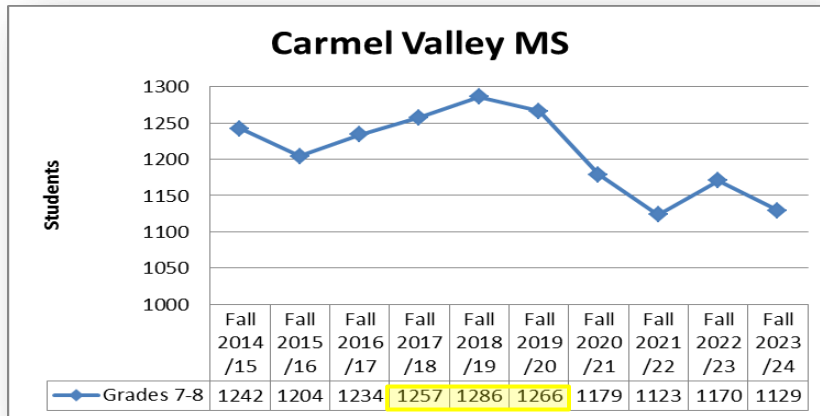


September 1st Enrollment: 701 Capacity: 952

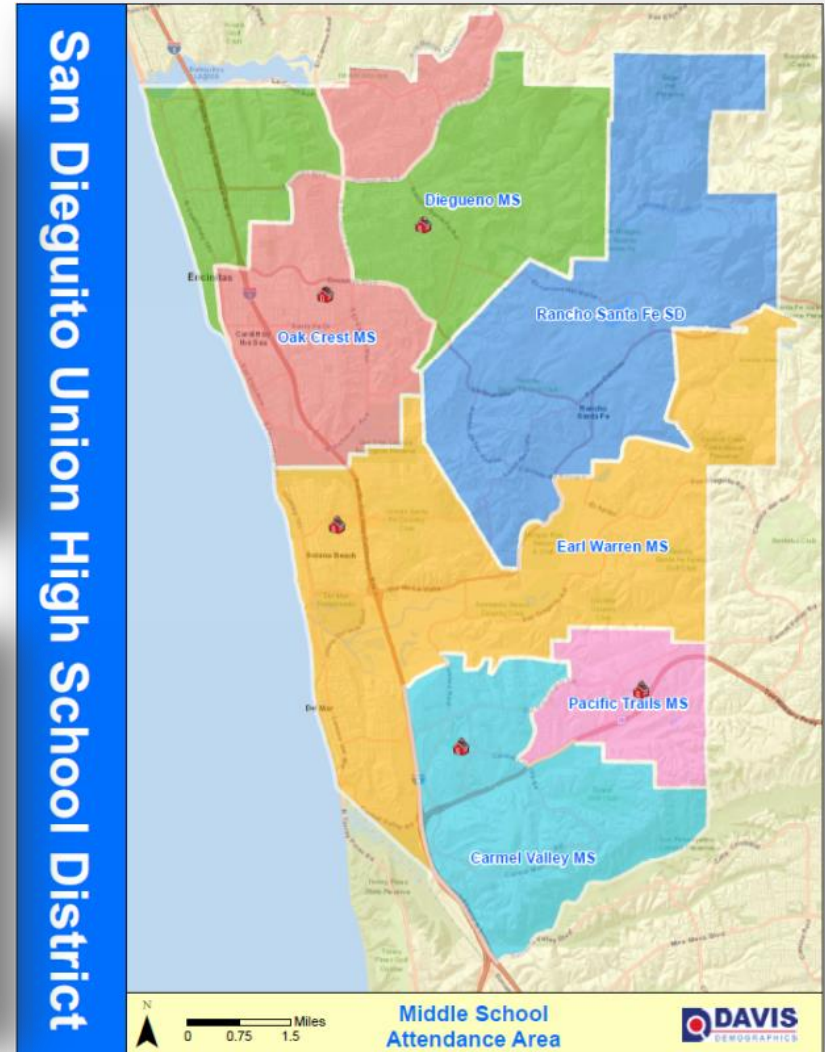
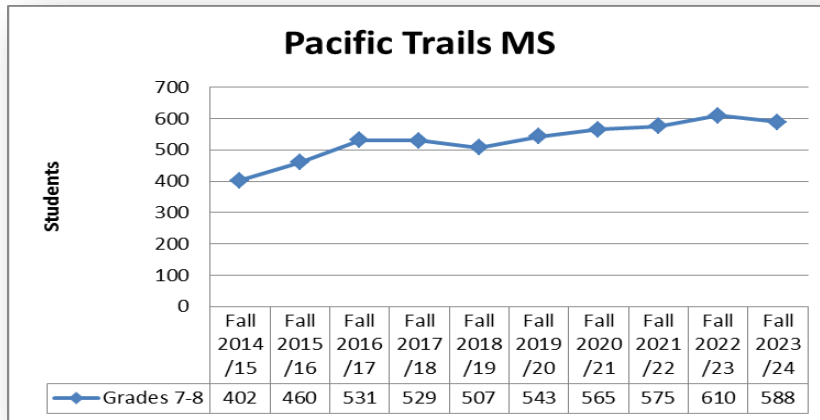


Demographics – Middle Schools

September 1st Enrollment: 1,158 Capacity: 1,185

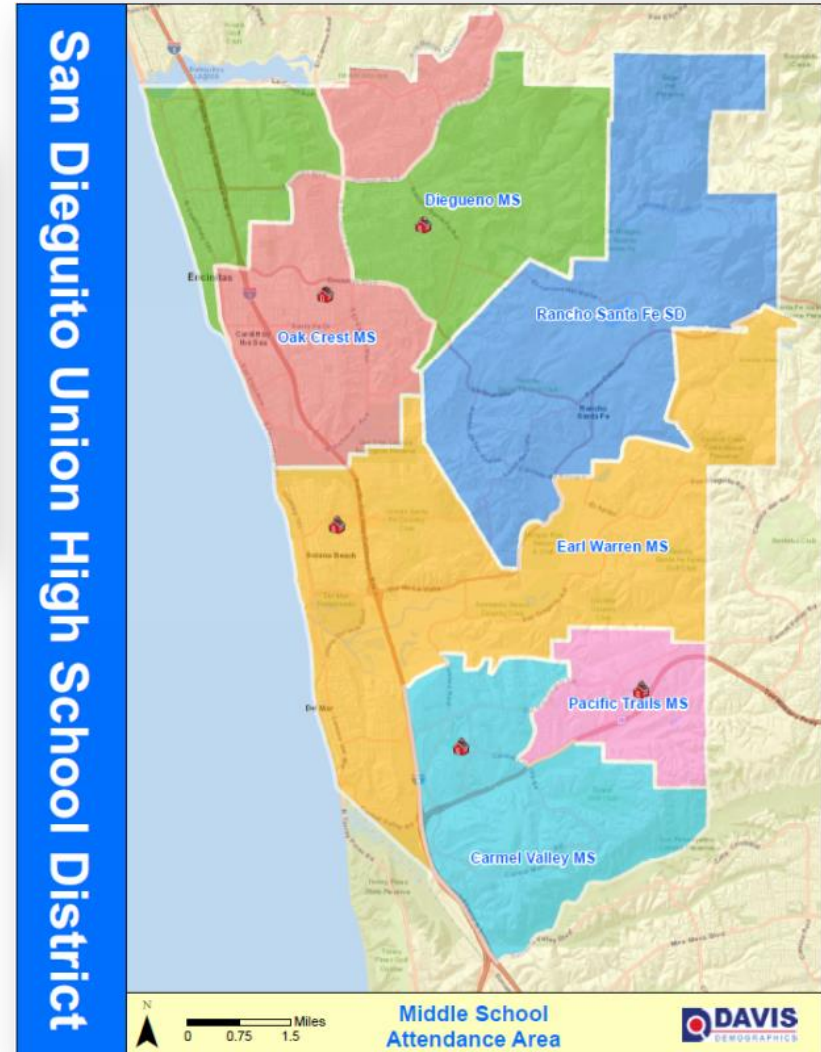
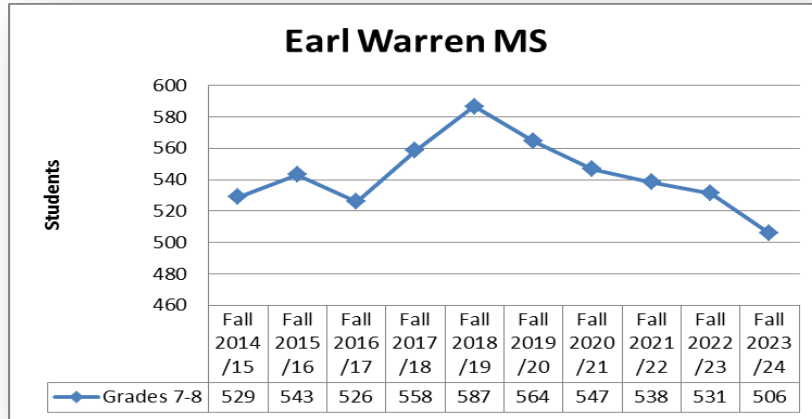


September 1st Enrollment: 669 Capacity: 686



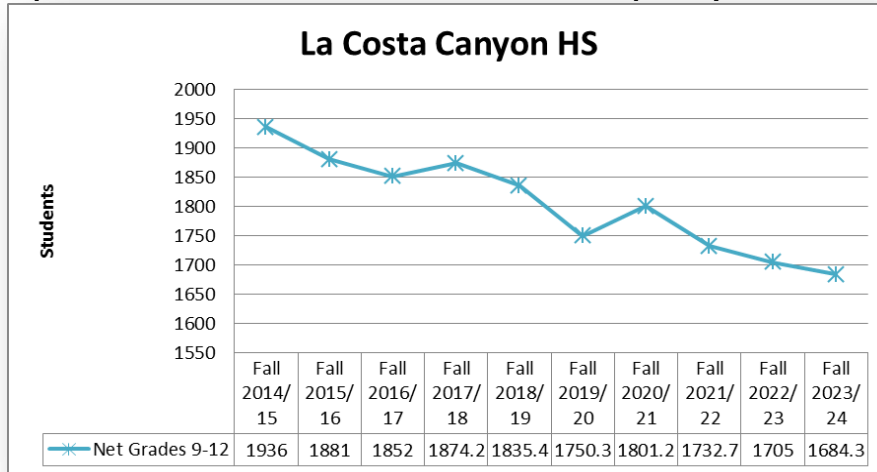
Demographics – Middle Schools

September 1st Enrollment: 594 Capacity: 686

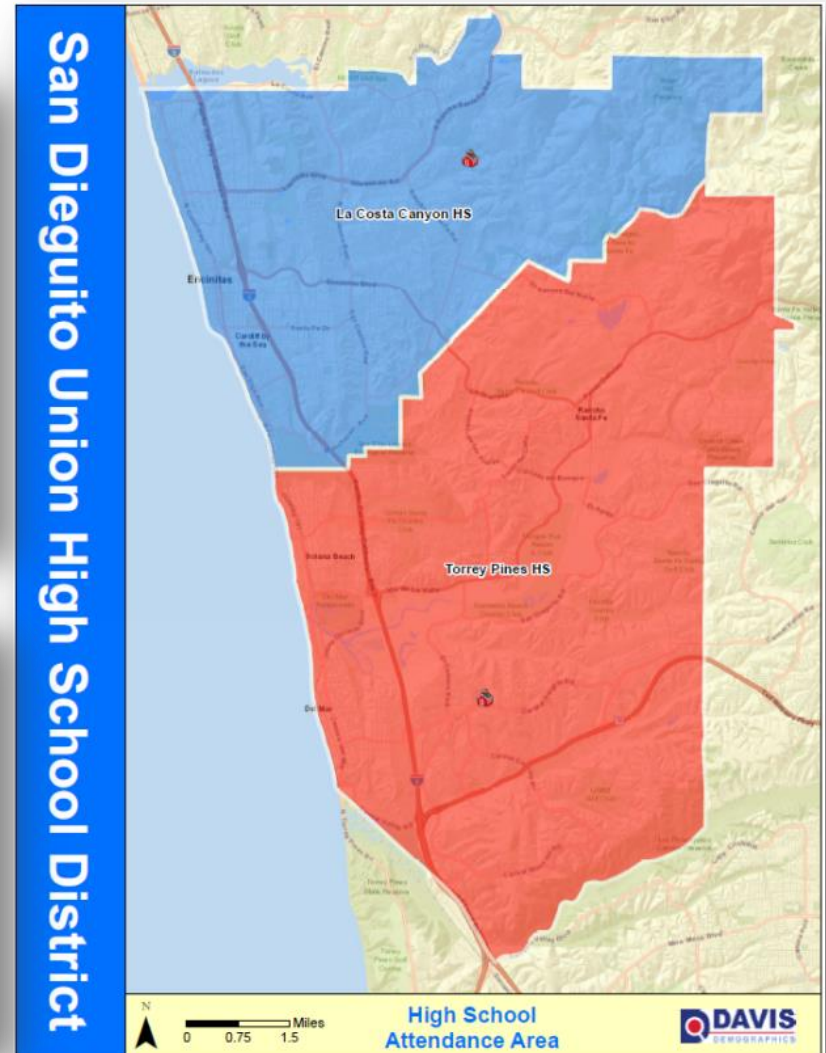
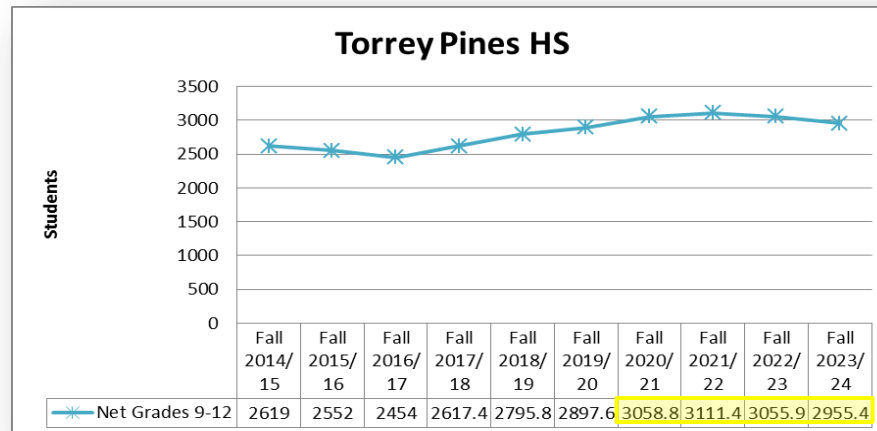


Demographics – Boundary High Schools

September 1st Enrollment: 1,893 Capacity: 3,172



September 1st Enrollment: 2,423 Capacity: 3,291



History of Financing

- ▶ Bond financing plan has evolved over time to address two opposing factors:
 - ▶ Improved assessed valuation created more capacity to issue bonds
 - ▶ Board direction to restrict bond terms to 25 years without the use of capital appreciation bonds (CABs) reduced bonding capacity

- ▶ Net effect has been a lengthening of the timeline for bond issuance and construction:
 - ▶ Savings from shorter terms on current interest bonds (CIBs) is offset by inflation incurred in estimated construction costs

ITEM 3

Financing Plan Evolution

Plan Year	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Total Par	Total Debt Service
2012	\$160,000,000 (est. 2013)	\$125,000,000 (est. 2015)	\$100,000,000 (est. 2017)	\$64,000,000 (est. 2019)	\$	\$	\$	\$449,000,000	\$1,257,200,000
2013	\$160,000,000 2013	\$125,000,000 (est. 2015)	\$75,000,000 (est. 2018)	\$89,000,000 (est. 2023)	\$	\$	\$	\$449,000,000	\$1,034,820,370
2015	\$160,000,000 2013	\$117,040,000 2015	\$75,002,511 (est. 2018)	\$96,957,489 (est. 2024)	\$	\$	\$	\$449,000,000	\$918,505,996
2016	\$160,000,000 2013	\$117,040,000 2015	\$62,000,000 2016	\$8,000,000 (est. 2018)	\$30,000,000 (est. 2021)	\$27,000,000 (est. 2025)	\$44,960,000 (est. 2035)	\$449,000,000	\$768,718,945
2017*	\$160,000,000 2013	\$117,040,000 2015	\$62,000,000 2016	\$22,500,000 (est. 2018)	\$22,500,000 (est. 2021)	\$25,000,000 (est. 2025)	\$39,960,000 (est. 2035)	\$449,000,000	\$739,840,860

Note: Highlighted indicates actual issuances

Plan Year	Estimated Total Interest Cost of Plan	Payback Ratio: 1	Type	Additional Escalation	Time	Net Savings to Taxpayers
2012	\$808,200,000	2.8	CIB/CAB	\$	2013-2019	\$
2013	\$585,820,370	2.3	1 st CIBw/CIB/CAB	\$32,276,559	2013-2023	\$254,656,189
2015	\$469,505,996	2.0	1 st & 2 nd CIBw/CIB/CAB	\$40,663,259	2013-2024	\$379,357,263
2016	\$319,718,945	1.7	All CIB	\$74,629,605	2013-2035	\$563,110,660
2017*	\$290,840,860	1.6	All CIB	\$67,659,375	2013-2035	\$585,018,515

*Projected



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Projected Escalation

	Initial Year	Est. Cost	Est. Escalation	Projected Yr.	Added Escalation	Revised Est. Cost
La Costa Canyon High School						
Renovate 200's & 900's	2015	\$ 6,125,009	\$ 291,667	2019	\$ 965,455	\$ 7,090,464
2-Story Classroom Bldg., Science Classroom Bldg., Admin. Remodel	2013	\$ 13,954,713	\$ 536,720	2021	\$ 5,869,774	\$ 19,824,487
Field House	2015	\$ 7,111,295	\$ 402,526	2025	\$ 3,816,583	\$ 10,927,878
San Dieguito High School Academy						
Modernize Industrial Arts & Modernize A&B Bldgs.	2016	\$ 3,324,647	\$ 217,500	2019	\$ 272,264	\$ 3,596,911
Reconstruct Gym and Remodel Mustang Center	2016	\$ 20,796,047	\$ 799,848	2035	\$ 29,733,352	\$ 50,529,399
Torrey Pines High School						
New Arts & Industrial Arts, Technology Bldg., and Field House	2015/2016	\$ 18,343,366	\$ 1,135,706	2021	\$ 4,160,803	\$ 22,504,169
Remodel Gym and Admin	2015	\$ 11,501,443	\$ 651,025	2035	\$ 17,287,946	\$ 28,789,389
Canyon Crest Academy						
New Black Box Theater, Dance Room & Media Center Renovations	2014	\$ 3,784,899	\$ 180,233	2025	\$ 2,380,303	\$ 6,165,202
Sunset High School						
Campus Reconstruction	2014	\$ 10,739,437	\$ 511,402	2025	\$ 6,753,974	\$ 17,493,411
Oak Crest Middle School						
Classroom Modernization	2014	\$ 3,816,750	\$ 181,750	2021	\$ 1,298,060	\$ 5,114,810
Multi-Purpose Room	2015	\$ 2,290,202	\$ 129,634	2025	\$ 1,229,135	\$ 3,519,337
Diegueno Middle School						
Parking Lot, Traffic Circ., Admin, and Multi-Purpose Room	2014	\$ 13,261,567	\$ 631,503	2035	\$ 21,925,318	\$ 35,186,885
La Costa Valley						
Admin/Multipurpose Room	2014	\$ 6,835,296	\$ 325,490	2035	\$ 11,300,779	\$ 18,136,075
TOTALS		\$ 121,884,671	\$ 5,995,004		\$ 106,993,745	\$ 228,878,416

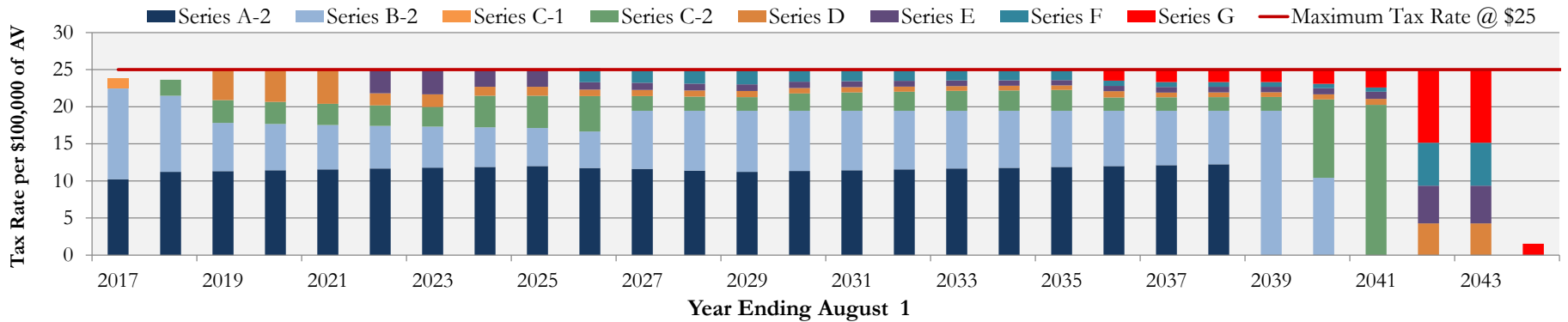
Series D – Continued Financing Parameters

- ▶ Continued pledge of a tax rate not to exceed \$25.00 per \$100,000 AV.
(Current tax rate is \$22.29)
- ▶ Continued practice of a repayment term not to exceed 25 years per series.
- ▶ Continued practice to use a financing plan that eliminates or reduces the use of CABs.
- ▶ Increased conservative view of projected yearly AV growth by decreasing the projected growth from 5% to 4%.

Potential Series D-G Bonds (Prop AA)

- The School District would be able to issue the remaining Prop AA authorized amount by 2035 using only Current Interest Bonds
- Taxable series can be issued in 2018, 2021 and 2025 to pre-fund set-aside QSCB payments in full

Projected Tax Rates Under Election of 2012⁽¹⁾⁽²⁾



	2013 Series A	2015 Series B	2016 Series C	2018 D-1	2018 D-2	2021 E-1	2021 E-2	2025 F-1	2025 F-2	2035 G	Total
Issue Date	4/11/2013	4/29/2015	7/14/2016	5/1/2018		8/1/2021		8/1/2025		8/1/2035	-
Par Amount	\$160,000,000	\$117,040,000	\$62,000,000	\$2,330,000	\$20,170,000	\$3,105,000	\$19,395,000	\$2,330,000	\$22,670,000	\$39,960,000	\$449,000,000
Project Amount	\$157,957,091	\$116,770,000	\$61,765,588	\$2,296,765	\$19,912,272	\$3,062,353	\$19,147,175	\$2,296,765	\$22,071,350	\$39,585,200	\$444,864,559
Final Maturity Date	8/1/2038	2/1/2040	8/1/2041	8/1/2019	8/1/2043	8/1/2023	8/1/2043	8/1/2026	8/1/2043	8/1/2044	8/1/2044
Repayment Ratio	1.67	1.70	1.67	1.03	1.88	1.04	1.90	1.03	1.72	1.23	1.65
Total Net Debt Service	\$266,497,345	\$199,136,356	\$103,339,304	\$2,401,461	\$37,935,985	\$3,234,824	\$36,874,619	\$2,404,875	\$38,911,334	\$49,104,757	\$739,840,860
Percentage of CIBs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Repayment Ratio	0.00	100%	100%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

⁽¹⁾ Assumes 4% growth for FY 18-19 and every year thereafter.

⁽²⁾ Tax-exempt scale assumes 5% coupons and MMD 10-year average 'AA' scale per maturity. Assumes taxable scale for QSCB payoff plus 100 bps.

* Preliminary, subject to change.

Proposed Projects for Series D

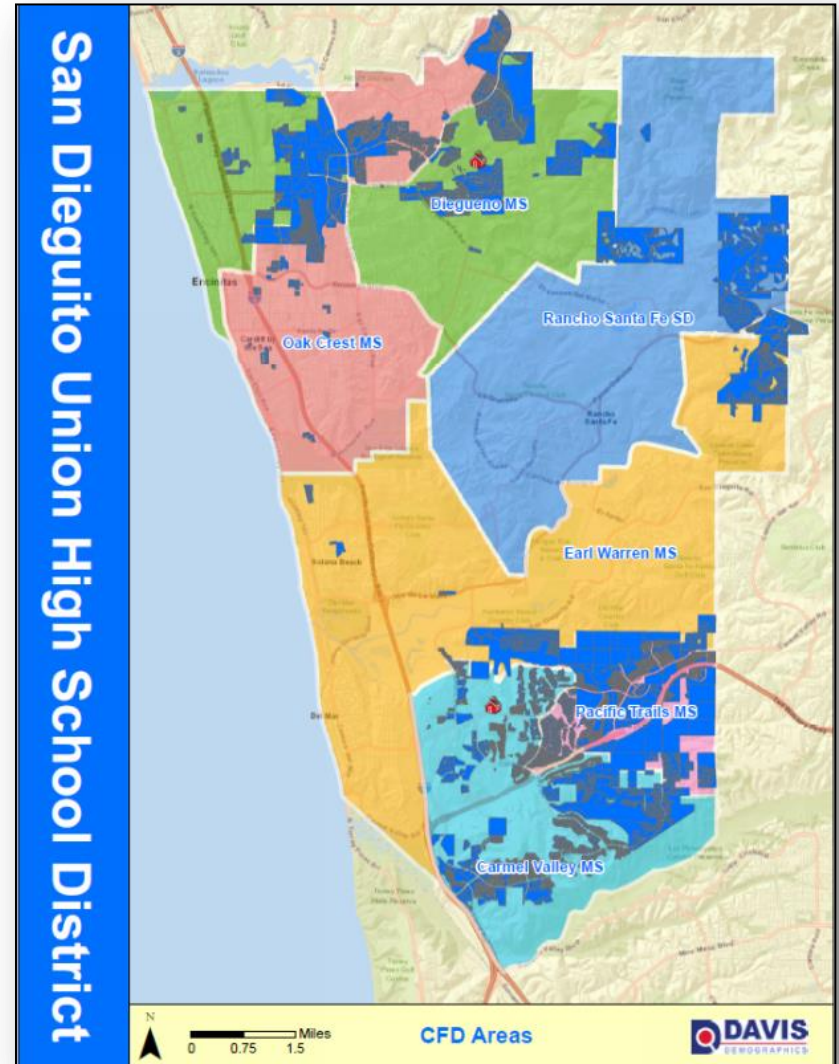
ITEM 3

Sunset High School	Campus Reconstruction	\$13,053,853.00
San Dieguito HS Academy	Modernize Industrial Arts and A&B Bldgs.	\$3,596,911.00
La Costa Canyon High School	Weight Room in lieu of Field House	\$1,443,724.00
Canyon Crest Academy	Learning Commons – balance of modernization	\$353,950.00
Oak Crest Middle School	Classroom Modernization (planning)	\$519,599.70
Torrey Pines High School	Arts & Industrial Arts, Tech Bldg. and Gym renovation (planning)	\$944,234.30
QSCB – Principal, and/or Furniture and Equipment for above projects		\$2,296,765.00
		Total \$22,209,037.00

Community Facilities Districts

Nine Community Facilities Districts

CFD	Units Permitted	Acres Developed	Assessed Amount
94-1	102	22	\$ 6,400.00
94-2	2889	675	\$ 2,124,800.00
94-3	878	178	\$ 537,046.00
95-1	2847	697	\$ 2,420,799.00
95-2	607	271	\$ 457,082.00
99-1	876	75	\$ 485,788.50
99-2	190	136	\$ 25,650.00
99-3	208	381	\$ 79,230.00
03-1	2875	306	\$ 1,941,034.50
Totals	11,472	2,741	\$ 8,077,830.00



Potential 2018 Special Tax Revenue Bonds

- The District could refund the remaining 2008A and 2008B Bonds on a parity basis with the 2016 Bonds on a current basis in May 2018
 - 2016 Bonds would then hold a senior-lien position on parity with 2008A and 2008B Bonds
- Potential economic savings of \$3 million by refunding the 2008A and 2008B Bonds
- New Indenture allows for additional bonds to be issued as well
- Potential new project money of \$7-12 million

Potential Projects or Supplemental Financing

ITEM 3

Potential CFD Projects:

- La Costa Canyon HS: Drainage Improvements at Main Quad
Performing Arts Center Complex
Gym Improvements
- Oak Crest MS: Shade Structures
- Canyon Crest Academy: Gym Improvements
- Torrey Pines HS: Press Box Replacements & Stadium Improvements
Varsity Baseball & Softball Improvements
- Torrey Pines HS/Sunset HS Reconstruction: Warehouse Relocation

Supplemental Financing for Prop AA:

- Torrey Pines HS: Performing Arts Complex
Industrial Arts Bldg. and Gym design
- San Dieguito HS Academy: Arts & Humanities Building
- Canyon Crest Academy: New Black Box Theater, Dance Room
Learning Commons Renovations
- La Costa Canyon HS: Weight Room in lieu of Field House



Next Steps

Date	Description	Responsible Parties
October 2017	RFP for Legal Team	District/Financial Advisor
October 2017	RFP for Underwriter(s)	District/Financial Advisor
March – May 2018	Prop AA, Series D Bond Issuance	ALL
May – August 2018	2008 CFD Bond Refinancing	ALL