



LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)
JOINT POWERS AUTHORITY BOARD

Thursday January 14, 2016
Downtown Branch Meeting Room
224 Church Street, Santa Cruz, CA 95060

9:00 a.m. PUBLIC MEETING

The Board reserves the right to take action on any item included on this agenda.

1. ROLL CALL
2. APPROVE AGENDA OF December 17, 2015
3. ORAL COMMUNICATIONS
4. EXECUTIVE DIRECTOR REPORT
 - A. Update on CFD Formation
 - B. Schedule of key dates - version 11 (pg 2)
5. CONSENT AGENDA
 - A. Approve Minutes of December 17, 2015 meeting (pg 6)
6. STAFF REPORTS
 - A. Elect the 2016 Board Chair and Vice-Chair (pg 9)
 - B. Appointment of Interim Executive Director to conduct business of the Authority (pg 10)
 - C. Consider signers for ballot arguments (pg 12)
7. WRITTEN COMMUNICATION
8. BOARD MEETING CALENDAR
The Board will consider the 2016 meeting schedule and may revise it as necessary.
9. ADJOURN

The Libraries Facilities Financing Authority Joint Powers Authority Board will adjourn from the regular meeting of January 14, 2016 to its next regular meeting of February 4, 2016 scheduled at the Downtown Branch Meeting Room (224 Church Street, Santa Cruz, CA 95060).

The Santa Cruz County Libraries Facilities Financing Authority does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the Library Administration Office at 427-7706 at least five days in advance so that we can arrange for such special assistance, or email library_admin@santacruzpl.org.

**SANTA CRUZ COUNTY LIBRARY (SCPL); LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA); AND
ASSOCIATED MEMBER AGENCIES**

JPA AMENDMENTS, COMMUNITY FACILITIES DISTRICT FORMATION & ELECTION CYCLE

June 7, 2016 Election: Schedule of Key Dates (version 1₁ - draft)

Includes key possible dates for member agency actions

12/28/2015 1/11/2016 (Mon)	LFFA	Final Notices of Public Hearing delivered to <u>LFFA Secretary</u> <u>for internal review</u>
1/14/2016 (Mon)	LFFA	LFFA Meeting – Receive update on map and notices; Consider signers for ballot arguments
1/14/2016 (Thur)	SCPL	Library JPA Meeting – First meeting of new board; Review fact sheet and distribution plan; Approve budget amendment for distribution costs and final poll
1/19 8 /2016 (Tue Mon)	LFFA	Final Resolution of Formation, Resolution Calling the Election and Consolidation, Resolution Declaring the Necessity to Incur Indebtedness due to <u>LFFA Secretary</u> <u>for Public Hearing</u>
1/22- 1/25/2016	SCPL	Conduct final poll
1/28 5 /2016 (Thur Mon)	LFFA	Notices of Public Hearing published on or prior to this date <u>(7 days prior to public hearing)</u>
<u>1/29/2016</u> (<u>Fri</u>)	<u>LFFA</u>	<u>Communities Facility District Tax Report delivered to LFFA Secretary for public review</u>
2/04/2016 (Thur)	LFFA	LFFA Meeting – Review poll results; Public Hearing, Consider Resolution of Formation, Resolution Declaring the Necessity to Incur Indebtedness and Resolution Calling the Election and Consolidation; Approve signers for ballot arguments
2/04/2016 (Thur)	SCPL	Library JPA meeting – Consider informational mailer and distribution plan; Approve budget amendment for distribution costs
3/03/2016 (Thur)	LFFA	LFFA Meeting – Approve ballot arguments
3/11/2016 (Fri)	LFFA	Last Day to Submit Resolution Calling the Election and Consolidation (which reflects exact form of ballot wording) to the County for the June 7, 2016 Election
3/23/2016 (Wed)	LFFA	Last day to withdraw a measure from the ballot, Last day to submit primary ballot arguments
3/28/2016 (Mon)	LFFA	Last day to submit rebuttal arguments
4/07/2016 (Thur)	LFFA	LFFA Meeting – To be determined
5/5/2016 (Thur)	LFFA	LFFA Meeting – To be determined
6/2/2016 (Thur)	LFFA	LFFA meeting – To be determined
6/07/2016 (Tue)	LFFA	Election Day
7/05/2016 (Tue)	LFFA	Certified statement of results available
7/7/2016 (Thur)	LFFA	LFFA Meeting – To be determined (optional) <u>(rescheduled to 7/28/2016)</u>
7/18/2016 (Mon)	LFFA	Final Resolution Declaring Election Results due to Secretary
8/04 <u>7/28</u> /2016 (Thur)	LFFA	LFFA Meeting – Consider Resolution Declaring Election Results and First Reading of CFD Ordinance. <u>Adopt CFD Ordinance (1)</u>
8/10/2016 (Wed)	LFFA	Notice of Special Tax Lien recorded and direction provided to County Auditor-Controller

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June 7, 2016 Election: Schedule of Key Dates (version 1.1 - draft)

9/01/2016 (Thur)	LFFA	LFFA Meeting – To be determined Adopt CFD Ordinance, Adopt Resolution Authorizing Bond Issuance (1)
10/06/2016 (Thur)	LFFA	LFFA Meeting – To be determined
11/03/2016 (Thur)	LFFA	LFFA Meeting – To be determined
12/01/2016 (Thur)	LFFA	LFFA Meeting – To be determined

- (1) Bonds are currently scheduled to be issued in March 2018. A Resolution Authorizing Bond Issuance will need to be approved before March 2018.

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JPA AMENDMENTS, COMMUNITY FACILITIES DISTRICT FORMATION & ELECTION CYCLE

June 7, 2016 Election: Schedule of Key Dates (version 1.1 - draft)

Includes former dates of related member agency actions

8/27/2015 (Thu)	LFFA	LFFA Meeting – Rate and Apportionment study session and direction
9/09/2015 (Wed)	LFFA	LFFA Meeting – Final direction on Rate and Apportionment; Final Direction on LFFA Project Jurisdictional Allocation
9/10/2015 (Thu)	LFFA	LFFA Meeting – Final direction on Rate and Apportionment (if necessary); Final Direction on LFFA Project Jurisdictional Allocation (if necessary)
9/14/2015 (Mon)	SCPL	Library JPA Meeting – Receive information as to recruitment process for Library Director and future Executive Director of LFFA
10/01/2015 (Thu)	LFFA	LFFA Meeting – recommend LFFA MOU amendment related to allocation for Public Library Improvements to allow Polling by Oct 9th
10/15/2015 (Thu)	LFFA	LFFA Meeting – Recommend LFFA MOU amendment related to allocation for Public Library Improvements to allow Polling by Oct 16th
10/15/2015 (Thu)	SCPL	Library JPA Meeting –Review LFFA MOU amendment related to allocation for Public Library Improvements; Receive information as to recruitment process for Library Director and future Executive Director of LFFA; Authorize budget amendments and agreements related to professional services to support LFFA
10/16 – 10/19/2015	SCPL	Conduct Polling after LFFA approval of Bond allocation
10/22/2015 (Thu)	LFFA & SCPL	Joint Board Meeting – Review poll results
11/02/2015 (Mon)	SCPL	Library JPA Meeting –Receive information as to recruitment process for Library Director and future Executive Director of LFFA; Authorize budget amendments and agreements related to professional services to support LFFA
11/04/2015 (Wed)	LFFA	Staff to finalize Rate and Method of Apportionment and tax modeling
11/09/2015 (Mon)	LFFA	LFFA Meeting –Recommend LFFA MOU amendment related to allocation for Public Library Improvements; Review draft Rate & Method of Apportionment and updated tax modeling financial estimates
11/23/2015 (Mon)	LFFA	LFFA Ad-Hoc Committee –Review Rate & Method of Apportionment and tax modeling
11/25/2015 (Mon)	LFFA	Staff to finalize Resolution of Intention to Establish CFD, including Boundary Map and Rate and Method of Apportionment and Resolution of Intention to Incur Indebtedness due to Secretary
12/07/2015 (Mon)	SCPL	Library JPA Meeting – Receive information as to recruitment process for Library Director and future Executive Director of LFFA; Authorize budget amendment and/or agreement related to professional services to support LFFA
12/08/2015 (Tue)	Santa Cruz	Santa Cruz City Council – Approve SCPL JPA (governance) and LFFA JPA (bond size and allocation) amendment(s) related to Public Library Improvements
12/10/2015 (Thur)	Capitola	Capitola City Council – Approve SCPL JPA (governance) and LFFA JPA (bond size and allocation) amendment(s) related to Public Library Improvements
12/15/2015 (Tue)	County	County of Santa Cruz Board of Supervisors – Approve SCPL JPA (governance) and LFFA JPA (allocation) amendment(s) related to Public Library Improvements
12/16/2015 (Wed)	Scotts Valley	Scotts Valley City Council – Approve SCPL JPA (governance) and LFFA JPA (allocation) amendment(s) related to Public Library Improvements
12/17/2015 (Thur)	LFFA	LFFA Meeting – Consider Goals and Policies of CFD, consider Resolution of Intention to form CFD, including Boundary Map and Rate and Method of Apportionment, consider

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June 7, 2016 Election: Schedule of Key Dates (version 11 - draft)

		Resolution to Incur Indebtedness
12/24/2015 (Thur)	LFFA	Boundary Map must be recorded on or before this date

June 7, 2016 Election

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

FACILITIES FINANCING AUTHORITY
LIBRARY JOINT POWERS AUTHORITY BOARD (LFFA)

MINUTES

Downtown Branch Meeting Room
224 Church Street, Santa Cruz, CA 95060

December 17, 2015

9:00 AM PUBLIC MEETING - (VIDEO RECORDING AVAILABLE)

1. ROLL CALL

Director Steve Ando; Director Martin Bernal; Director Jamie Goldstein; Director Susan Mauriello

Staff: Nicole Coburn

2. APPROVAL OF MEETING AGENDA OF DECEMBER 17, 2015

Agenda of December 17, 2015 was approved by consensus.

3. ORAL COMMUNICATIONS

Public Comment

4. EXECUTIVE DIRECTOR REPORT

Schedule of key dates (version 10)

5. CONSENT AGENDA

Motion to approve Consent Agenda of December 17, 2015
Director Bernal moved, seconded by Director Goldstein

A. Approve Minutes of November 9, 2015

6. STAFF REPORTS

- A. Adopt goals and policies related to the LFFA's Community Facilities District.

Director Goldstein moved, seconded by Director Bernal

That the LFFA adopt the resolution approving goals and policies for Communities Facilities Districts with the understanding that minor editorial adjustments can be made if necessary. (Resolution # 2015-01)

UNAN

- B. Direction for LFFA to adopt resolutions declaring intention to establish a Communities Facilities District, incur bonded indebtedness in the CFD, and set February 4, 2016 as the date for the public hearing on the formation proceedings.

Director Bernal moved, seconded by Director Goldstein

That the LFFA approve the resolution of intention to establish a CFD (Resolution # 2015-02) and to adopt the resolution of necessity to incur bonded and other indebtedness (Resolution # 2015-03) and to take the actions outlined in the staff report.

UNAN

7. WRITTEN COMMUNICATION

None

8. BOARD MEETING CALENDAR

The Board shall revisit the calendar at its next meeting to consider alternate dates and locations.

9. NEXT MEETING

The Library Facilities Financing Authority Joint Powers Authority Board (LFFA JPB) adjourned the regular meeting of Thursday, December 17, 2015 the next regular meeting on Thursday, January 14, 2016 at 9:00am at the Downtown Branch Meeting Room.

8. ADJOURN

The regular meeting adjourned at 9:25 am.

Respectfully submitted,

Helga Smith, Secretary of the Board

All documents referred to in these minutes are available in the Library Office.

STAFF REPORT

AGENDA: January 14, 2016
DATE: January 5, 2016
TO: Library Facilities Financing Authority (LFFA) Board of Directors
FROM: Marcus Pimentel, Interim Executive Director
SUBJECT: Item 6.a. –Annual election of Board Chair and Board Vice-Chair

RECOMMENDATION

That by motion the Board elects the Calendar year 2016 Board Chair and Vice-Chair as the City of Capitola and City of Santa Cruz respectively.

BACKGROUND

The LFFA agreement requires that at the first meeting of January the Board shall elect a Chair and a Vice-Chair. The Chair is the presiding officer and shall sign all contracts of the LFFA unless otherwise provided by a Board resolution.

DISCUSSION

At the LFFA’s first meeting in January 2015, the Board established a rotation schedule that would set for 2016 the City of Capitola as the Chair and the City of Santa Cruz as the Vice-Chair. The rotation for 2016 and the next 4 years are as follows:

<i>Year</i>	<i>Chair</i>	<i>Vice-Chair</i>
2016	City of Capitola	City of Santa Cruz
2017	City of Santa Cruz	City of Scotts Valley
2018	City of Scotts Valley	County of Santa Cruz
2019	County of Santa Cruz	City of Capitola
2020	City of Capitola	City of Santa Cruz

Prepared and approved by:
 Marcus Pimentel
 Interim Executive Director

ATTACHMENTS:
 None

STAFF REPORT

AGENDA: January 14, 2016

DATE: January 5, 2016

TO: Library Facilities Financing Authority (LFFA) Board of Directors

FROM: Marcus Pimentel, Interim Executive Director

SUBJECT: Item 6.b. –Appointment of new Interim Executive Director

RECOMMENDATION

That by motion the Board considers the appointment of the next Interim Executive Director for the purposes of conducting the business of the LFFA.

BACKGROUND

On January 22, 2015, with knowledge that the Library Director would be retiring in May of 2015, the Board approved the designation of the Finance Director of the City of Santa Cruz as the LFFA's Interim Executive Director until a time when a new Library Director was appointed. The primary focus of the Interim Executive Director was to support the key components of the Community Facilities District (CFD) formation including the development of the Rate and Method of Apportionment, the boundary map, and necessary resolutions of intent to form a CFD and incur bonded indebtedness. This decision was made due to the involvement of the Finance Director in the prior modeling of a potential tax structure. In addition the Interim Executive Director would need to support the planning towards a facility bond issue, including assembling the bond issuance team, and would need to support the actions required to place a tax measure on the June or November 2016 ballot.

The LFFA agreement designated that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector is the Treasurer-Controller of the LFFA. As such they would handle and have control over all cash, bond proceeds and related assets of the LFFA.

DISCUSSION

The Finance Director of the City of Santa Cruz was appointed as the LFFA's Interim Executive Director due to the departure of the Library Director (May 2015) and the anticipated fiscal support required to develop and finalize the financial modeling to support a CFD formation and prepare for a possible bond measure.

To date, the LFFA has completed its major milestones related to primary fiscal modeling, to preparing for a subsequent facility bond measure and related actions to have a ballot measure placed on the June 7, 2016 ballot.

The next phase of the LFFA's work will shift from this prior fiscal focus to now support the development of the upcoming ballot measure. Following this phase and, if the ballot measure is approved by the voters, the County, as the LFFA Treasurer, will be the lead agency and custodian for the receipt of tax proceeds, distribution of proceeds and eventually for the bond issuance. Accordingly, it is the proper time to transition the Interim Executive Director

Appointment from the prior fiscal focus so that the LFFA can be better positioned to administer the county-wide actions required in this next phase.

Following are the major milestones reached to date:

- Adopted the resolution approving the goals and policies of the CFD (12/17/15)
- Adopted the resolution of intent to form a CFD (12/17/15)
- Adopted the resolution to demonstrate the necessity to incur bonded indebtedness (12/17/15)
- Finalized the Rate and Method of Apportionment (12/17/15)
- Finalized the boundary map and other related actions to form a CFD (12/17/15)
- Approved agreements with consultants to support various LFFA actions:
 - NBS, CFD advisor (10/15/15)
 - Gene Bregman & Associates, polling advisor (10/15/15)
 - Harrell and Company Advisors, bond financial advisor (11/02/15)
 - Jones Hall, bond counsel (11/02/15)
 - TBWB Strategies, ballot measure advisor (11/02/15)

Following are the remaining key actions that are required:

- Preparing agenda's and supporting staff reports for the upcoming LFFA meetings
- Finalize Public Hearing Notice for February 4th LFFA meeting
- Determine signors for the ballot arguments
- Coordinate ballot preparation with Gene Bregman & Associates & TBWB Strategies
- Finalize the ballot arguments
- Submit the ballot to the County to call the election
- Draft and submit rebuttal arguments
- If ballot measure is successful, the following actions will be required:
 - Provide the County Recorder with the Notice of Special Tax Lien, so that it can be recorded on all the parcels (NBS or Jones Hall)
 - Adopt the CFD Ordinance regarding Special Tax Levy
 - Direct NBS to prepare the special tax levy by July 21 (one week prior to the scheduled the LFFA meeting) and provide to the County Auditor-Controller-Treasurer-Tax Collector by August 10
 - Administer the Special Tax Funds
 - Establish a debt service fund to deposit the amount of debt service due on the Bonds (when issued) and a capital projects fund for the surplus taxes to be used for the Library projects by the member agencies
 - Coordinated preparation of bond documents
 - Issue bonds (likely to occur in 2018)
 - Provide County Auditor-Controller-Treasurer-Tax Collector with the notice of the tax lien (by parcel tax directions)
 - Handle and control bond proceeds and special tax distribution process

Prepared and approved by
Marcus Pimentel
Interim Executive Director

STAFF REPORT

AGENDA: January 14, 2016

DATE: January 5, 2016

TO: Library Facilities Financing Authority (LFFA) Board of Directors

FROM: Marcus Pimentel, Interim Executive Director

SUBJECT: Item 6.c. –Consider signors for June 7, 2016 ballot measure

RECOMMENDATION

That the Board provides direction to identify the signors for the June 7, 2016 CFD related ballot measures.

BACKGROUND

At the upcoming February 4, 2016 LFFA Board Meeting, it is anticipated that a public hearing will be held to consider the formation of the “Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1” (the “CFD”) in addition to adopting a Resolution Calling the Election and Consolidation for the June 7, 2016 ballot.

As part of the ballot process, the LFFA will be required to identify the signors on February 4, 2016 and approve their related ballot arguments on March 3, 2016.

DISCUSSION

The Board may either discuss their interest in ballot signors and direct staff to confirm their interest or the Board Chair may appoint an Ad-Hoc committee to consider options to inform the action to take on February 4, 2016.

Prepared and approved by:
Marcus Pimentel
Interim Executive Director

ATTACHMENTS:
None