

**Community Questions
Board Study Session
June 21, 2016**

#	Question	Answer
1.	Can COP be paid early for a fee?	The 2004 Certificates of Participation (COP) do not include prepayment provisions. There are alternative methods of prepaying debt of this kind which are available to public agencies. MUSD staff is working with MUSD's financing team to identify potential alternatives and evaluate the associated costs.
2.	Is CFD 1 financing a CAB?	Yes.
3.	What are the current & projected total costs of retiring CFD 1 Bonds & COP?	Pending further calculations. Anticipated update August/September 2016.
4.	What would the end date be if Board members vote for an end date?	Based upon the current obligation of the CFD, the last debt payment is 2033.
5.	Did CFD 1 pay for improvements at East Union High School? Study Session August 2013 said it was included.	Yes. Six classroom additions at East Union to house growth at the time.
6.	When new developments are annexed in are fees reassessed? Traditional vs. Annexed?	Whether a property is annexed into the CFD or is included in the original formation their special tax obligation is outlined in the Rate and Method of Apportionment that is approved when the CFD is formed. MUSD currently is only annexing property into CFD No. 2000-3 and CFD No. 2005-4. In each case the special tax is not assessed on a property until a building permit is pulled for the construction of a residential unit. The special tax is assessed on each property for a term of 29 years. If additional properties are annexed, it does not affect the properties that are already within the CFD. All properties continue to pay the special tax in the amount and for the duration they would have if an annexation had not taken place.
7.	Can an audit be done on all of the Weston Ranch community property taxes in how those funds have been spent and on what? Provide a breakdown and have it made public to all of the residents in the Weston Ranch community.	Yes. An accounting report from the District anticipated by August 2016.
8.	How many on staff administration?	There are 3 MUSD staff members that charge a percentage of their salaries to CFD services: Facilities Director, Facilities Account Technician and Support Services (substitute as needed). CFD #1 \$16,128; CFD #2 \$16,128; CFD #3 \$16,128; CFD #4 \$3,000. Total cost for all four CFDs for MUSD staff salaries: \$51,384
9.	What has been your experience with new developments & developers paying their fair share of school facilities to meet the needs of present & future students?	In the past, the City of Manteca, City of Lathrop and developers have understood the critical role public schools play in building and maintaining a safe and successful community. To date, MUSD's CFD program has been a successful tool, providing the funding needed to build quality schools to meet the needs of our

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		growing community. MUSD staff is engaged in an active dialog with all parties regarding the need for the continuation of their support.
10.	What needs to be done by the City of Manteca, City Council, Planning Department with developers & the school district to plan for the educational needs of the community?	There is on-going communication with the City Council & Planning department as well as the Developers to support the educational facility needs for students.
11.	Regarding the yearly property taxes – The misuse of Mello Roos on California property taxes can be increased above 1% of assessed value without voter approval. Local government agencies can increase property taxes to pay for bond department, but they must get 2/3's voter approval because it is the voter that must pay the department.	<p>Proposition 13 capped, with limited exceptions, ad valorem property tax rates at 1% of full cash value at the time of acquisition (“Assessed Value”). The Assessed Value of a property is increased by 2% in each year it is not sold and the property’s Assessed Value is reassessed when it is sold. The majority of the School District’s operating budget is funded by their portion of this 1%.</p> <p>Proposition 13 requires taxes raised by local governments for a designated or special purpose to be approved by two-thirds of the voters (<i>this threshold was reduced to 55% for school district G.O. Bonds under certain circumstances</i>). The School District relies on periodic voter approved measures to fund capital facilities projects. In every case the School District conducted a special election to form or annex property into Mello Roos Community Facilities Districts and received greater than 2/3s of the votes in favor.</p>
12.	<p>Section 3 – Page 14</p> <p>The Superintendent recommends that the Board discuss & consider giving direction that the fund balance in CFD 1989-1 be placed in a deposit refunding escrow and used to pay the remaining COP debt.</p> <p>Note: Disagree that any monies be placed in a deposit refunding escrow and used to pay the remaining COP debt. MUSD is wanting to use the Weston Ranch Community property taxes as they choose and it is wrong. Leave the money where it is if they’re going to close out #3 page 14. Don’t move the money and apply it to the Weston Ranch Community Bond to pay down the debt. Don’t do anything else but pay down the Bond debt.</p>	District acknowledges the opinion shared in this question.
13.	Confirm completion date for Weston Ranch High School?	2003-2004
14.	Confirm completion date for East Union High School?	1994

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15.	Did the District use money for East Union stadium?	No. Funding paid for six classroom additions at East Union.
16.	Dolcinea in CFD 3? Move to 3 or money specific?	Annexed into CFD 3
17.	CFD 1 was voted by Board at the time to collect maximum money able to charge forever? Did any Board do that with CFD 2, 3 or 4?	In the past, the Board believed that the Maximum Special Tax would need to be levied within CFD No. 89-1 each year in order to provide the school facilities needed by the community. The Board and MUSD staff have reviewed the list of projects and the outstanding debt obligations of CFD No. 89-1 and have determined that the Maximum Special Tax is not required any longer. On an annual basis MUSD staff will compile and present to the Board a budget for the upcoming Fiscal Year and a proposed special tax levy. Subject to the direction and approval of the Board, the special taxes will be levied annually in an amount needed to meet the CFD's obligations including scheduled debt payments and administrative costs.