

**BEFORE THE BOARD OF EDUCATION
OF THE MANTECA UNIFIED SCHOOL DISTRICT
OF SAN JOAQUIN COUNTY, STATE OF CALIFORNIA**

RESOLUTION NO. 16/17- 27

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
MANTECA UNIFIED SCHOOL DISTRICT
MAKING CERTAIN DETERMINATIONS REGARDING
COMMUNITY FACILITIES DISTRICT 1989-1 (WESTON RANCH)
AND DIRECTING ADMINISTRATIVE STAFF TO TAKE CERTAIN ACTIONS IN
CONNECTION WITH AVAILABLE SPECIAL TAX PROCEEDS**

WHEREAS, the Board of Trustees of the Manteca Unified School District (the "School District") has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form Community Facilities District No. 1989-1 (Weston Ranch) (the "CFD"), to authorize the levy of special taxes upon the land within the CFD for the purpose of financing certain public improvements and related expenses, all as described in its Resolution No. 88/89-104 adopted January 24, 1989 and related proceedings of the CFD; and

WHEREAS, following a vote of landowners in the CFD at the time of authorizing the levy of a special tax, the Board of Trustees, as legislative body of the District, authorized special tax bonds of the School District for the District in the aggregate original principal amount of \$30,000,000 (the "CFD Bonds"), and such bonds have been issued; and

WHEREAS, the School District, as lessee, and the Manteca Unified School District Public Facilities Financing Corporation, as lessor, entered into a Facility Lease dated September 15, 2004 (the "Lease") in connection with the execution and delivery of 2004 Certificates of Participation evidencing the fractional undivided interests of the owners of the Certificates in the Lease payments to be made by the School District; and

WHEREAS, pursuant to the Lease, the School District is required to budget and appropriate the amount of the annual Lease payment obligation in each annual CFD budget, and to take such action annually as shall be required to provide funds from the CFD in such year for the payment of Lease payments and other obligations under the Lease; and

WHEREAS, the School District has accumulated CFD special tax proceeds currently in the approximate amount of \$3.18 million (the "CFD Fund") for the purpose of providing facilities authorized to be financed by the CFD in addition to the facilities financed by the bonds of the CFD and the Certificates; and

WHEREAS, certain citizens within the CFD have brought to the attention of the Board and staff of the School District a concern that the special tax levy on property within the CFD at the maximum allowable

rate has been generating money in excess of that needed to fund originally intended facilities to be financed by the CFD, and such citizens have requested that the Board take action with regard to the use of unspent special tax collections on hand and future special tax levies in the CFD; and

WHEREAS, the Board desires to address the expressed concerns of certain citizens within the CFD; and

WHEREAS, the Board desires at this time to find and declare that all facilities to be financed by the CFD have been completed and no additional facilities will be financed by the CFD; and

WHEREAS, the Board desires at this time to direct School District staff to execute such documentation as is necessary and appropriate to cause money in the CFD Fund to be used to reduce the amount of outstanding CFD Bonds, thereby having the effect of reducing the annual debt service on the CFD Bonds and correspondingly reducing the annual special tax levy on taxpayers within the CFD; and

WHEREAS, the final maturity date of the CFD Bonds is September 1, 2031 and the final Lease payment date is September 1, 2033; and

WHEREAS, the Board also desires at this time to declare and direct that the School District shall no longer levy special taxes within the CFD after the date of payment in full of all obligations of the CFD and the School District under the CFD Bonds and the Lease.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Manteca Unified School District as follows:

SECTION 1. The Board hereby finds and declares that all facilities to be financed by the CFD have been completed and no additional facilities shall be financed by special taxes of the CFD.

SECTION 2. The Board hereby declares that no special tax of the CFD shall be levied on property within the CFD after payment in full of all obligations associated with the CFD Bonds and the Lease, and the Board hereby directs administrative staff of the School District to (i) no longer levy special taxes within the CFD after the date of the final levy of special taxes required for payment in full of all obligations of the CFD and the School District under the CFD Bonds and the Lease and expenses related thereto, and (ii) upon payment in full of such obligations, to take such appropriate action as is required by law to remove the lien of the special tax from property within the CFD.

SECTION 3. The Board hereby determines that the special tax levy for fiscal year 2017-18 and each fiscal year thereafter on taxable property within the CFD shall be comprised of not to exceed (i) debt service on CFD Bonds; (ii) replenishment of the reserve account established for the CFD Bonds, if such reserve account has been reduced as a result of delinquencies in the amount of special tax collections needed for debt service on the bonds issued for the CFD; (iii) annual expenses of the School District for administration of the CFD in an amount not to exceed the "Maximum Annual Administrative Expense" set forth in Section 3 below, and (iv) the amount needed for payments due under the Lease in such fiscal year.

SECTION 4. The Board hereby determines that the Maximum Annual Administrative Expense for the CFD for each future year until dissolution of the CFD shall be an amount not to exceed \$10,000 per year. This Board, in its Resolution No. 16/17-1 adopted July 19, 2016 estimated that the annual and current administrative expenses for fiscal year 2016-17 will not exceed \$45,000; the Maximum Annual Administrative Expense of

\$10,000 represents an updated administrative expense estimate and this Board intends such amount to be effective annually for the remaining duration of the CFD.

SECTION 5. The Board hereby determines that the moneys in the CFD Fund shall be utilized to reduce the special tax payable by taxpayers in the CFD. To that end and to the extent permitted by law, the Board hereby determines that money in the CFD Fund shall be used for annual defeasance of a portion of the CFD Bonds or the Lease obligation each year for a period of ~~seven (7)~~ years in order to accomplish interest cost savings for CFD taxpayers. The Superintendent is hereby authorized and directed to cause the preparation of and to execute an escrow agreement and/or any other document required, and to take such actions as he may deem necessary or advisable by the District's legal counsel in order to carry out and perform the defeasances described herein, without further approval of the Board, and such executions and taking of such other actions shall be conclusive evidence of such necessity, advisability and approval by this Board.

SECTION 6. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing Resolution was adopted by the Board of Trustees of the Manteca Unified School District of San Joaquin County, being the Board authorized by law to make the designations therein contained by the following vote, on October 4, 2016.

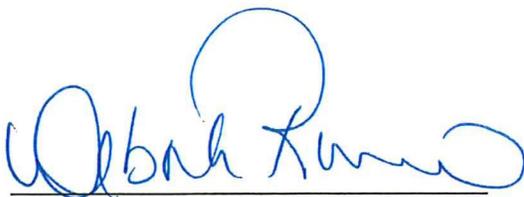
Adopted by the following votes:

AYES: Fant, Howe, Moore, Romero, Schluer, Seelye, Teicheira

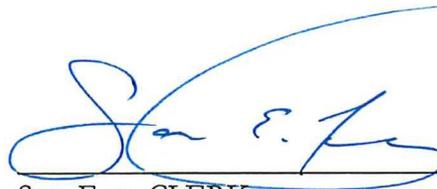
NOES: None

ABSENT: None

ABSTAIN: None



Deborah Romero, PRESIDENT
Board of Education



Sam Fant, CLERK
Board of Education