

INYO-KERN SCHOOLS FINANCING AUTHORITY

Regular Meeting of the Board of Directors

MARCH 10, 2016

Ridgecrest City Council Chambers

100 W. California Ave.

Ridgecrest, CA 93555

A G E N D A

CALL TO ORDER AND PLEDGE TO THE FLAG

7:00 P.M.

Amy Castillo-Covert

Bill Farris

Tim Johnson, Vice Chairman

Kurt Rockwell

Michael Scott, Chairman

Donna Carson, Lone Pine Representative

Ernest M. Bell, Jr., Secretary of the Board

1. ADOPTION OF AGENDA
2. APPROVAL OF MINUTES of the Regular Meeting of February 18, 2015.
3. BUSINESS ADMINISTRATION
 - 3.1 Consideration of Approval of First Amendment to the Inyo-Kern Schools Financing Authority (IKSFA) Lease Agreement Dated as of December 3, 1990 (Lease)
4. ADJOURNMENT

INYO-KERN SCHOOLS FINANCING AUTHORITY

Minutes of the Meeting of the Board of Directors

DATE OF MEETING: February 18, 2016

TIME OF MEETING: 7:00 p.m.

PLACE OF MEETING: Ridgecrest City Council Chambers

MEMBERS PRESENT: Castillo-Covert, Farris, Johnson, Rockwell - telephonically, Scott

MEMBERS ABSENT: Carson

STAFF PRESENT: Ernest M. Bell, Jr., Superintendent

1. ADOPTION OF AGENDA

The agenda was adopted by consensus as posted.

2. APPROVAL OF MINUTES of the regular meeting of January 21, 2016

Minutes were approved as presented.

3. ADJOURNMENT was at 8:52 p.m.

Board of Directors

Ernest M. Bell, Jr., Superintendent/Secretary of the Board of Directors

Recorder: Diane Naslund

3. BUSINESS ADMINISTRATION

3.1 Consideration of Approval of First Amendment to the Inyo-Kern Schools Financing Authority (IKSFA) Lease Agreement dated as of December 3, 1990 (Lease)

BACKGROUND INFORMATION: Inyo-Kern Schools Financing Authority and Lone Pine Unified School District (LPUSD) are parties to a lease agreement dated December 3, 1990, pursuant to which the Authority leased to Lone Pine USD certain property located in Inyo County. In consideration of the mutual undertakings of both parties Lone Pine USD pays an annual amount of contributions to the Authority each Fiscal Year. The agreement has been very amicable and has worked well through the entirety of its duration.

CURRENT CONSIDERATIONS: In 2013-14 the state funding methodology changed from Revenue Limit to the Local Control Funding Formula. In the first year of its implementation very little was known about how the new funding would impact the district or LPUSD therefore it was difficult to determine how to adapt the calculation as set forth in the lease to the new funding methodology. District staff worked extensively with the Chief Business Official at Lone Pine, the Assistant Superintendents of Inyo County and of Kern County through a number of iterations of the calculation to reach an equitable solution for both parties within the intent of the original lease. Once the lease payment calculation was agreed upon by all parties, district staff requested counsel memorialize the method into an amendment to the lease.

FINANCIAL IMPLICATIONS: None

SUPERINTENDENT'S RECOMMENDATION: It is recommended that the board approve the First Amendment to the IKSFA lease as presented.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("Amendment") is by and between the INYO-KERN SCHOOLS FINANCING AUTHORITY, a joint powers authority duly organized and existing under the Joint Exercise of Powers Agreement dated December 3, 1990, by and between Sierra Sands Unified School District and the Lone Pine Unified School District (the "Authority"), and the LONE PINE UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under the constitution and laws of the State of California ("Lone Pine");

RECITALS

A. WHEREAS, the Authority and Lone Pine are parties to that certain Lease dated December 3, 1990 (the "Original Lease") pursuant to which the Authority leased to Lone Pine certain premises located in Inyo County described in Exhibit B to the Original Lease commonly known as the Leased Premises; and

B. WHEREAS, the method of calculating Lease Payments by Lone Pine to the Authority is set forth in Exhibit C of the Original Lease; and

C. WHEREAS, Exhibit C of the Original Lease provides at section C.2. in part, that "In the event that the State of California revenue limit system of disbursements be changed by statute, such limit shall be reasonably determined by the Committee to be the amount of revenue receivable from State Apportionments which would apply per student in rural K-12 school districts having similar average daily attendance, location and school services as that of Lone Pine"; and

D. WHEREAS, as a result of statewide implementation of the Local Control Funding Formula ("LCFF") which occurred in the 2013-14 fiscal year, the method of calculating future Lease Payments requires revision; and

E. WHEREAS, the Authority and Lone Pine now desire to amend the Original Lease to clarify calculation of the Lease Payment under LCFF, as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Exhibit C, Paragraph C. Method of Calculating Lease Payments, subsections 1 through 7 of the Original Lease, are hereby deleted in their entirety and replaced by the following:

"C. Method of Calculating Lease Payments.

1. The Lease Payment shall be calculated as follows:

(a) For Fiscal Years 2013-14 and 2014-15

By deducting the target base grant, target necessary small schools allowance plus any actual expenses of the Authority from the total property taxes received by Lone Pine for the Annexed Area (Inyo County Tax Rate Areas 70,000 and 70,001, or such other tax rate areas as may subsequently be assigned to the Annexed Area) and dividing the resulting total by 2.

(b) For Fiscal Year 2015-16 and each subsequent fiscal year thereafter:

(1) By summing the amount of estimated or actual ad valorem tax receipts that are to be received by Lone Pine for the related Fiscal Year as obtained from the Inyo County Auditor-Controller and, the amount of Categorical Minimum State Aid as shown on line G-9 of the Lone Pine School District LCFF P-2 Funding Exhibit for the related Fiscal Year.

(2) From the amount determined pursuant to the preceding paragraph (1), the Committee shall deduct the following amounts for the related Fiscal Year:

a) Lone Pine's LCFF Entitlement as shown on Line F-1 of the Lone Pine School District LCFF P-2 Funding Exhibit for the related Fiscal Year, and

b) The amount of expenses, if any, paid by Lone Pine pursuant to A. above.

(3) The balance remaining after the deductions made pursuant to the preceding paragraphs (2) a) and (2) b) shall be divided by 2. The resulting amount shall be certified by the Committee to be the amount of the Lease Payment required to be paid by Lone Pine under this Lease.

In the event that the LCFF Entitlement be changed by statute, such limit shall be reasonably determined by the Committee to be the amount of revenue receivable from State Apportionments which would apply per student in rural K-12 school districts having similar average daily attendance, location and school services as that of Lone Pine."

2. Exhibit C, Paragraph C heading entitled "C. Payment in Installments." is revised to read as follows: "D. Payment in Installments."

3. Except as amended hereby, the Original Lease shall remain in full force and effect and is hereby ratified and confirmed by the Authority and Lone Pine.

4. The provisions of this Amendment may only be amended or modified by a writing executed by the Authority and Lone Pine.

5. This Amendment shall supplement the Original Lease. In the event of a conflict between the provisions of the Original Lease and this Amendment, the provisions of this Amendment shall control. All definitions used in this Amendment but not defined herein shall have the same meaning provided in the Original Lease.

6. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.


IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the last date set forth below.

Inyo-Kern Schools Financing Authority,
a joint powers agency

By: _____
Name:
Title: Chairman

Date: _____

Lone Pine Unified School District,
a political subdivision of the State
of California

By: 
Name: Suzette Poirier
Title: Chief Business Official

Date: 2/22/2016