

MINUTES

**CALIFORNIA SCHOOL FINANCE AUTHORITY
915 Capitol Mall, Conference Room 110 (Large)
Sacramento, California 95814**

**300 S. Spring St, Suite 8500
(Large Conference Room)
Los Angeles, CA 90013**

November 29, 2021 - 10:00 a.m.

Public Participation

Call-In Number: (877) 810-9415 – Participant Code: 6535126

OPEN SESSION

Treasurer Fiona Ma, called the meeting to order at 10:05 a.m.

Item #1: Roll Call

Members Present: Fiona Ma, CPA, Treasurer (Sacramento Office)
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Via Microsoft Teams)
Gayle Miller, designee for Keely Martin Bosler, Director of Finance (Via Microsoft Teams)

Staff Present: Audrey Noda, Deputy Treasurer (LA Office)
Katrina Johantgen, Executive Director (LA Office)
Ravinder Kapoor, Legal Counsel (Via Microsoft Teams)
Thomas Dear, Staff Services Manager II (Sacramento Office)
Shannon McEuen, Staff Services Manager I (Sacramento Office)
Michael Pack, Program Lead (Sacramento Office)
Robert Biegler, Program Lead (Via Microsoft Teams)
Jeffery Martin, Program Lead (Via Microsoft Teams)
Robert Rodriguez, Office Technician (Sacramento Office)

Attendees Via Microsoft Teams:

- Dr. Donald Wilson, Superintendent, Vista Charter Public Schools
- Dr. Collin Felch, Principal, Vista Charter Public Schools
- Dane Fernandes, Partner, Kutak Rock LLP
- Monika Calamita, Partner, Kutak Rock LLP
- John Kim, Managing Director, Stifel, Nicolaus & Company, Inc.
- Nate Keninitz, Associate, Stifel, Nicolaus & Company, Inc.
- Josh Bauer, Analyst, Stifel, Nicolaus & Company, Inc.
- Suzanne Nicastro, Superintendent/Principal, Manzanita Public Charter School
- Nancy Dow, Fiscal Director, Manzanita Public Charter School
- Douglas Sorum, Assistant Superintendent, Business Services, Lompoc Unified School District

- Jennifer Morgan, Interim Fiscal Services Director, Lompoc Unified School District

Treasurer Ma welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Executive Director Katrina Johantgen read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the November 10, 2021 Board Minutes (Action Item)

Treasurer Ma introduced Item #2: Approval of the November 10, 2021 Board Minutes. Treasurer Ma asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the November 10, 2021 meeting. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

RECUSE: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

K-14 SAIN and Charter ASAP Program: Executive Director Katrina Johantgen stated the Authority is working with the Public Finance Division to determine if we need to issue a Request for Proposal to retain arbitrage rebate consulting services. Executive Director Johantgen noted that the Authority's Financial Advisor, Annette Yee, is working with many school districts to determine if they met their cash flow deficit and once completed the Authority will have a better scope of districts needing an analysis.

Charter School Facility Grant Program: The Authority is looking ahead to 2022-23 and is working with the Department of Finance and stakeholders on projecting program funding needs for that budget year.

Conduit Financing Program: This program had a busy year, with the end of year being particularly busy for staff. Russell Westbrook Why Not? Academy, Bright Star Public School, and Ivy Academia are all expected to price within the next two weeks and the Authority is bringing Vista Charter Public Schools to the Board today for financing approval.

Credit Enhancement Program: The Authority received an additional \$10 million grant from the United States Department of Education and needs to turn around the performance agreement by December 17, 2021. Executive Director Johantgen noted the Authority submitted the application that contemplates deploying the money in a pooled reserve and standalone financing in the event that the Authority cannot utilize the pooled reserve concept.

Charter School Facilities Program: The Authority is bringing Manzanita Public Charter before the Board today and is working with the Office of Public School Construction on a funding round for next year with rescinded funds.

Revolving Loan Fund: The Authority had a very productive conversation with the Department of Finance last week on changes to the program that includes looking at increasing the maximum loan amount up to \$500,000, allow mature charters to access the fund, and a slight increase in the interest charged to generate a better return so more funds are available to be recycled.

State Charter School Facilities Incentive Grants Program: The Authority is working on its last awards. Staff is reviewing invoices to get those funds out by the Program's sunset date of August 31, 2022.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

Item #4 - Resolution No. 21-38 – Authorizing the Issuance of Revenue Bonds in an amount not to exceed \$55,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Orange County for use by Vista Condor Global Academy & Vista Heritage Global Academy (Action Item)

Executive Director Johantgen presented and began by introducing Dr. Donald Wilson, Superintendent at Vista Charter Public Schools, Dr. Collin Felch, Principal at Vista Charter Public Schools, John Kim, Managing Director at Stifel, Nicolaus & Company, Inc., Nate Keninitz, Associate at Stifel, Nicolaus & Company, Inc., Dane Fernandes, Partner at Kutak Rock LLP, and Monika Calamita, Partner at Kutak Rock LLP.

Mr. Kim presented information on the organization's credit rating and the timing of the project. He also shared details regarding the project site and projected costs. Dr. Wilson presented information regarding the school's history and student academic performance. He also spoke about the school's philosophies and how the funds would benefit their student population. Dr. Felch provided details regarding student demographics and their projected enrollment moving forward.

Mr. Kim spoke about the project financing and construction details for the project. Mr. Keninitz presented information regarding a stress test performed for the school's enrollment projections, noting the projections fell well within the accepted underwriting guidelines. Mr. Kim also noted the school achieved a "BB" rating with a stable outlook from Standard & Poor's.

Board Member Mireles had a question regarding the Vista Meridian Global Academy enrollment projections for 2022-23, asking for additional clarification. Mr. Kim responded, noting that while Vista Meridian Global Academy was branded as a separate school it operated under the same charter as Vista Heritage Global Academy, highlighting the change was made when the school expanded from a 6-8 grade school to a 6-12 grade school.

Treasurer Ma asked if there were any additional questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Authorizing the Issuance of Revenue Bonds in an amount not to exceed \$55,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Orange County for use by Vista Condor Global Academy and Vista Heritage Global Academy.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

Item #5 - Resolution No. 21 – 39 – Approving the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$1,000,000 to Vista Condor Global Academy located in Orange County (Action Item)

Executive Director Johantgen confirmed the school met all the programs eligibility requirements and was in good standing with the Orange County Office of Education. She introduced John Kim, Managing Director at Stifel, Nicolaus & Company, Inc. Mr. Kim spoke to the impact the funds would have on the school and the investor interest in the program.

Treasurer Ma asked if there were any additional questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$1,000,000 to Vista Condor Global Academy located in Orange County.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #6: Resolution No. 21 – 40 – Approving the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$1,000,000 to Vista Heritage Global Academy located in Orange County (Action Item)

Executive Director Johantgen presented and confirmed the school is in good standing with its authorizer and that staff is recommending approval of the item.

Treasurer Ma asked if there were any additional questions from Board Members or the public. There were none.

Authority Action

Motion to Approve the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$1,000,000 to Vista Heritage Global Academy located in Orange County.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #7: Resolution No. 21 – 41 – Financial Soundness Determination for Manzanita Public Charter, located in Santa Barbara County, for a Final Apportionment through the Charter School Facilities Program (Action Item)

Program Lead Michael Pack presented and introduced Douglas Sorum, Assistant Superintendent and Business Services at Lompoc Unified School District, Jennifer Morgan, Interim Fiscal Services Director at Lompoc Unified School District, Suzanne Nicastro, Superintendent/Principal at Manzanita Public Charter School, and Nancy Dow, Fiscal Director at Manzanita Public Charter School.

Ms. Nicastro spoke about the school’s history, its approach to educating students, and limitations of the current campus. Mr. Sorum provided details for the proposed project and the school’s construction history.

Mr. Pack presented his financial soundness analysis and confirmed the school met the program’s eligibility criteria. He shared information regarding student academic performance and how the campus facilities would potentially be enhanced.

Board Member Mireles asked a question regarding the school’s anticipated Public Schools on Military Installations (PSMI) grant as to when they would be receiving it. Ms. Nicastro confirmed they expect to receive this grant within the next week and noted the Board approval would help move the process forward. Mr. Pack noted the staff summary analysis was contingent on the PSMI grant being awarded to the school.

Board Member Mireles asked a follow up question regarding the PSMI grant, inquiring if the school would be able to take on the \$6 million on their own if the grant doesn’t materialize. Executive Director Johantgen added that the Authority would need to re-examine the proposal if the school is not awarded the PSMI grant. Board Member Mireles expressed that he was satisfied with this assessment, acknowledging that the PSMI would likely be issued to the school.

Board Member Miller recognized the hard work of the district, school, the Authority and the Office of Public Construction and their phenomenal teamwork on this project.

Treasurer Ma asked if there were any additional questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination for Manzanita Public Charter, located in Santa Barbara County, for Final Apportionment through the Charter School Facilities Program.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #8: Public Comments

No public comments.

Item #9: Adjournment

There being no public comments, the Board adjourned the meeting at 10:56 a.m.