



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Counsel



DATE: March 22, 2013
BOARD MEETING DATE: April 9, 2013
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: John C. Beiers, County Counsel

SUBJECT: Issuance and Sale by the San Carlos School District of General Obligation Bonds

RECOMMENDATION:

Adopt a Resolution authorizing the San Carlos School District to issue General Obligation Bonds, in an aggregate principal amount of not to exceed \$15,000,000, entitled "San Carlos School District (San Mateo County, California), General Obligation Bonds, Election of 2012, Series 2013".

BACKGROUND:

The voters in the San Carlos School District ("District") approved by more than fifty-five percent of the voters a school bond measure on November 6, 2012, in the maximum aggregate principal amount of \$72,000,000 (the "Bond Measure").

On March 21, 2013, the District's Board of Trustees adopted a resolution authorizing the issuance of "San Carlos School District (San Mateo County, California), General Obligation Bonds, Election of 2012, Series 2013," in an aggregate principal amount not to exceed \$15,000,000, in one or more series to be designated by the District (the "Bonds"), and requesting that the County Board of Supervisors authorize the District to issue and sell the Bonds on its own behalf by negotiated sale. Although the District has the authority to issue up to \$72,000,000 in Bonds, its Board has decided to issue no more than \$15,000,000 in Bonds at this time.

DISCUSSION:

Typically, the County issues and sells general obligation bonds on behalf of a school district. For this transaction, the District has adopted a resolution (the District Resolution") requesting that the County authorize the District itself to issue the particular series of bonds, and to sell the bonds through a negotiated sale. California Government Code §§ 53506 et. seq. and Education Code § 15140(b) allow the Board of Supervisors to authorize the District to sell and issue bonds on its own behalf without further action of the Board of Supervisors or officers of the County.

The District is being assisted by Orrick, Herrington & Sutcliffe LLP, as bond counsel, and Stifel, Nicolaus & Company as financial advisor.

Authorizing the District to issue and sell its own bonds will contribute to the Shared Vision 2025 outcome of Collaborative Community by supporting fiscal accountability.

FISCAL IMPACT:

These bonds are general obligations of the District, and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds.