



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Counsel



**Date:** April 2, 2014

**Board Meeting Date:** May 6, 2014

**Special Notice / Hearing:** 10 Days' Published  
Notice

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John C. Beiers, County Counsel

**Subject:** Cancellation of Authorized but Unissued and Unsold General Obligation  
Bonds of the Jefferson Union High School District

**RECOMMENDATION:**

Public hearing to adopt a Resolution ordering the cancellation of certain authorized, but unissued and unsold, general obligation bonds of the Jefferson Union High School District in the aggregate principal amount of \$37,040,000.

**BACKGROUND:**

The voters in the Jefferson Union High School District ("District") approved a school bond measure on November 7, 2006, authorizing the issuance of general obligation bonds in the maximum aggregate principal amount of \$136,900,000 (the "Measure N Bonds").

The District has caused the issuance of four series of Measure N Bonds in the aggregate principal amount of \$94,998,673.45, leaving \$41,901,326.55 of Measure N Bonds which have been authorized but unissued and unsold (the "Unsold Measure N Bonds").

On November 6, 2012, the District received voter approval for the issuance of new bonds in the amount of \$41,900,000 (the "Measure E Bonds"). Pursuant to this approval, whenever the District issues Measure E Bonds, the District is obligated to thereafter cancel a like amount of Unsold Measure N Bonds. On May 9, 2013 the District issued \$35,540,000 of Measure E, Series A, Bonds; and on June 27, 2013 the District issued \$1,500,000 of Measure E, Series B, Bonds, for a total of \$37,040,000.

In a petition dated March 4, 2014 and signed by a majority of the members of the District's Governing Board and submitted to this Board, the District's Governing Board

requested the cancellation of the Unsold Measure N Bonds in the amount of \$37,040,000.

**DISCUSSION:**

Pursuant to Sections 15200-15205 of the Education Code the District's Governing Board may petition this Board to cause Unsold Measure N Bonds to be canceled and this Board must hold a noticed hearing to consider such petition no more than 30 days following its receipt. If this Board deems it to be in the best interests of the District that the Unsold Measure N Bonds be canceled, it shall make such an order.

The District has advised this Board that it is in the best interests of the District for the Unsold Measure N Bonds to be cancelled because that is necessary in order to fulfill a promise that the District made to the voters in connection with passage of Measure E on November 6, 2012. The purpose of Measure E was to provide a new \$30 tax rate limit in order to complete the projects which were originally authorized under Measure N, without increasing the total amount of authorized bonds. In its resolution calling the Measure E election, the District covenanted that following the issuance of any new bonds under Measure E, it would cancel a portion of the prior Measure N authorization. The purpose of the cancellation process is to ensure that the total amount of bonds issued under both Measure E and Measure N does not exceed the original authorized amount of \$136,900,000.

The District is being assisted by Jones Hall, as bond counsel.

Approval of the Resolution contributes to the Shared Vision 2025 outcome of Collaborative Community by supporting fiscal accountability.

**FISCAL IMPACT:**

There is no fiscal impact to the County.