



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Counsel



Date: October 22, 2013
Board Meeting Date: November 5, 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 Millbrae School District of General Obligation Bonds

RECOMMENDATION:

Adopt a Resolution authorizing the Millbrae School District to issue and sell its General Obligation Bonds (Election of 2011, Series 2013) in an aggregate principal amount not to exceed \$10,000,000, by competitive or negotiated sale, without further action of the County.

BACKGROUND:

The voters in the Millbrae School District ("District") approved by more than fifty-five percent of the voters a school bond measure on November 8, 2011, in the maximum aggregate principal amount of \$30,000,000 (the "Bond Measure").

On October 15, 2013, the District's Board of Trustees adopted its Resolution No. 13-14-03 (the "District Resolution") authorizing the issuance of "Millbrae School District General Obligation Bonds (Election of 2011, Series 2013)", in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), and requesting that the County Board of Supervisors authorize the District to issue and sell on its own behalf, by competitive or negotiated sale, the Bonds.

In 2012, this Board granted such authorization in connection with the issuance of "Millbrae School District General Obligation Bonds (Election of 2011, Series 2012)", in an aggregate principal amount not to exceed \$20,000,000.

DISCUSSION:

Typically, the County issues and sells general obligation bonds on behalf of a school district. For this transaction, the District has requested that the County authorize the District itself to issue the Bonds, and to sell the Bonds through a negotiated or competitive sale. California Government Code sections 53506, et. seq. and Education

Code Section 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 KNN Public Finance, a Division of Zions First National Bank, as financial advisor.

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

FISCAL IMPACT:

The 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.