



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY COUNSEL

File #: 18-801

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: John C. Beiers, County Counsel
Subject: Issuance and Sale by the Cabrillo Unified School District of its General Obligation Bonds (Election of 2018), Series A

RECOMMENDATION:

Adopt a resolution authorizing the Cabrillo Unified School District to issue its General Obligation Bonds (Election of 2018) Series A in an aggregate principal amount not to exceed \$35,000,000, without further action of the County.

BACKGROUND:

The voters in the Cabrillo Unified School District ("District") approved by more than fifty-five percent of the voters a school bond measure on June 5, 2018, authorizing the issuance of general obligation bonds in the maximum aggregate principal amount of \$99,000,000 (the "Bond Measure"). To date, the District has not yet issued any bonds pursuant to the Bond Measure.

On September 13, 2018, the District's Board of Trustees will consider authorization of the issuance and sale of its "Cabrillo Unified School District General Obligation Bonds (Election of 2018), Series A" in an aggregate principal amount not to exceed \$35,000,000 (the "Series A Bonds"). The District desires to issue and sell the Series A Bonds on its own behalf, and District staff has requested that the County Board of Supervisors authorize the District to do so.

As a matter of custom, districts do not typically request that the Board of Supervisors adopt a resolution authorizing a district to sell bonds on its own behalf prior to the district itself adopting its resolution. With respect to the Series A Bonds, however, the timing of the District's meeting schedule and target bond pricing date limited the number of available Board of Supervisors' meetings, and District staff has requested that the Board of Supervisors consider the issue at its September 4th meeting. There is no legal requirement that the District approve the issuance prior to the adoption of the County resolution, and the County resolution has been made expressly contingent on the District approving its resolution at its September 13th meeting.

DISCUSSION:

State law generally provides that the County may issue and sell general obligation bonds on behalf of

a school district, but California Government Code §§ 53506 et. seq. and Education Code § 15140(b) also allow the Board of Supervisors to authorize the District to sell and issue bonds directly on its own behalf without further action of the Board of Supervisors or officers of the County.

The District is being assisted by Dannis Woliver Kelley as bond counsel, and Isom Advisors, a division of Urban Futures, Inc., 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 County funds are pledged or obligated to the payment of the bonds.