



Legislation Text

File #: 17-461, Version: 1

MEMORANDUM

TO: THE HONORABLE BOARD OF SUPERVISORS

FROM: ANITA L. GRANT, County Counsel

DATE: May 9, 2017

SUBJECT: (Continued from May 9, 2017) - Consideration of Bond Issuance - Konocti Unified School District

EXECUTIVE SUMMARY:

It does not appear that the County of Lake has previously been involved in past school district general obligation bond issuance by the County. In the instant matter, the Konocti Unified School District has requested that the County offer and issue the voter-approved bonds on its behalf as provided by the Education Code. (See Education Code Section 15140 et seq.) Education Code Section 15140(a) provides, in part, as follows:

Bonds of a school district or community college district shall be offered for sale by the Board of Supervisors of the County, the County Superintendent of which has jurisdiction over the District, or the Community College District Governing Board, where appropriate, as soon as possible following receipt of a resolution duly adopted by the governing board of the school district or community college district.

Education Code Section 15140(b) provides for a method by which a school district can issue its bonds on its own behalf if authorized by the Board of Supervisors. However, the procedure requires that the school district has not received a qualified or negative certification in its most recent interim report. Here, the District received a qualified certification in its most recent interim report. Accordingly, as required in Section 15140(a), the District's board has adopted its resolution requesting the County to proceed with the sale and issuance of the bonds.

Attached here for your Board's consideration is a resolution authorizing the issuance and sale of bonds on behalf of the Konocti Unified School District in an aggregate principal amount not to exceed \$11,000,000. Additionally attached is the bond purchase agreement to be entered into by and between the County, the underwriter D.A. Davidson & Co., and the Konocti Unified School District. Both documents have been drafted and provided by bond counsel for the Konocti Unified School District. Both the County Auditor-Controller and the Treasurer-Tax Collector should be present when this item is taken up by your Board to ensure that any questions with regard to fiscal impacts to and

responsibilities of the County may be answered.

The Resolution of the Board of Trustees of the Konocti Unified School District presenting the terms of sale are available for review upon request in the Clerk of the Board's office.

FISCAL IMPACT: __ None __ Budgeted __ Non-Budgeted

Estimated Cost:

Amount Budgeted:

Additional Requested:

Annual Cost (if planned for future years):

FISCAL IMPACT (Narrative):

STAFFING IMPACT (if applicable):

RECOMMENDED ACTION:

If your Board determines to move forward to issue these general obligation bonds, the following action should be taken:

1. By motion, the bond purchase agreement by and between the County, D.A. Davidson & Co., and the Konocti Unified School District may be approved with authorization for the Treasurer-Tax Collector to sign.