



Agenda Date: 3/22/2005
Agenda Placement: 6H

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Krishan Chopra for Robert Westmeyer - County Counsel
County Counsel
REPORT BY: Krishan Chopra, Attorney III , 259-8273
SUBJECT: Issuance and Sale of Napa Valley Unified School District General Obligation Bonds, Series 2005, in an aggregate principal amount not to exceed \$30,000,000

RECOMMENDATION

County Counsel requests adoption of a resolution authorizing the issuance and sale of Napa Valley Unified School District General Obligation Bonds, Election of 2002, Series 2005 in an aggregate principal amount not to exceed \$30,000,000, pursuant to Education Code Section 15140.

EXECUTIVE SUMMARY

In April 2003, the Board, on behalf of the District, issued Napa Valley Unified School District General Obligation Bonds, Election of 2002, Series 2003, in an aggregate principal amount not to exceed \$35,000,000. The District now desires to issue a second series of bonds, the Napa Valley Unified School District General Obligation Bonds, Election of 2002, Series 2005.

The Board of Education of the District adopted its resolution to approve the issuance of the Series 2005 Bonds on March 17, 2005. Education Code Section 15410 provides that the County Board of Supervisors shall issue bonds on behalf of the District following adoption of a resolution of the Board of Education of the District. Bond Counsel for the District, Orrick, Herrington & Sutcliffe, LLP has prepared the resolution by which the Board will authorize the issuance of the Series 2005 Bonds.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

An election was held in the Napa Valley Unified School District, Napa and Sonoma Counties, State of California, on November 5, 2002, at which the following proposition, Measure M was submitted to the qualified electors of the District:

“To complete identified repairs and rehabilitation projects at District schools; acquire sites; build and equip schools/classrooms to mitigate overcrowding; continue to replace deteriorating older school facilities; repair the earthquake damaged District Auditorium; improve fire/seismic safety and handicapped access; construct specified facilities, multiuse rooms and libraries, and to qualify for State matching grants; shall Napa Valley Unified School District issue \$95 million in bonds at lawful interest rates, with guaranteed annual audits and citizens’ oversight?”

At such election, Measure M received the affirmative vote of fifty-five percent or more of the voters of the District voting on the proposition as certified by the Registrar of Voters of Napa County, and Sonoma County in the official canvassing of votes.

In April 2003, the County Board of Supervisors on behalf of the District issued Series 2003 bonds in an aggregate principal amount not to exceed \$35,000,000.

In order to raise money for the purposes described in Measure M and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, at this time the Board of Education of the District has determined that it is necessary and desirable to request the Napa County Board of Supervisors to issue a second series of general obligation bonds in an aggregate principal amount not to exceed \$30,000,000 to be designated as the “Napa Valley Unified School District General Obligation Bonds, Election of 2002, Series 2005” (the “Series 2005 Bonds”).

Education Code Section 15410 provides that the County Board of Supervisors shall issue bonds on behalf of the District following adoption of a resolution of the Board of Education of the District.

The Series 2005 Bonds shall bear or accrete interest at the rates set forth in the Purchase Contract, which, for the issue as a whole shall not exceed a true interest cost of 7%. The principal of the Series 2005 Bonds shall mature on the dates and in the amounts set forth in the Purchase Contract, not to exceed 25 years from the date of delivery of the Series 2005 Bonds.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Lorenzo Zíalcita