



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/23/2017

Agenda Placement: 6L

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Thomas Capriola for Minh Tran - County Counsel
County Counsel

REPORT BY: Thomas Capriola, Deputy County Counsel - (707) 259-8251

SUBJECT: Adoption of a Resolution Authorizing the Calistoga Joint Unified School District to Issue General Obligation Bonds, Election 2010, Series 2017 pursuant to Education Code sections 15140 et seq. and Government Code sections 53506 et seq.

RECOMMENDATION

County Counsel requests adoption of a resolution authorizing the Calistoga Joint Unified School District to issue Series 2017 Bonds of the District without further action of the Board or Officers of the County.

EXECUTIVE SUMMARY

The Board of Trustees (the "District Board") of the Calistoga Joint Unified School District (the "District") conducted a successful bond election on November 2, 2010. That election authorized the issuance of up to \$42,000,000 of General Obligation Bonds to finance the construction, reconstruction, rehabilitation, or replacement of those school facilities designated in the District's resolution ordering the election.

The District Board on May 1, 2017 adopted a resolution (the "District Resolution") providing for the issuance and sale by the District of its "Calistoga Joint Unified School District General Obligation Bonds, Election of 2010, Series 2017" pursuant to sections 15140 et seq. of the Education Code and sections 53506 et seq. of the Government Code. This District Resolution requests that the Board of Supervisors authorize the District to issue and sell its proposed Series 2017 Bonds on its own behalf at a negotiated private sale pursuant to 53508.7 of the Government Code and Section 15140 and 15146 of the Education Code. The private sale will also be subject to the terms set forth in the District Resolution.

As is the County's standard practice, the attached resolution if adopted by the Board of Supervisors provides that the County assumes no responsibility for any aspect of the sale of the Series 2017 Bonds following the adoption of the attached County Resolution which grants the District the ability to sell the Series 2017 Bonds without County involvement.

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

The Board of Trustees (the "District Board") of the Calistoga Joint Unified School District (the "District") conducted a successful bond election on November 2, 2010. That election authorized the issuance of up to \$42,000,000 of General Obligation Bonds to finance the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities. Monies generated by the sale of these bonds may only be spent for these specified purposes as is more fully set forth in the District Resolution ordering that the November 2, 2010 bond election be conducted. Thus, the bonds proposed to be sold cannot be expended to finance teacher and administrator salaries or other school operating expenses.

On May 1, 2017, the District adopted a resolution (the "District Resolution") providing for the issuance and private sale by the District of not to exceed \$7,000,000 aggregate principal amount of "Calistoga Joint Unified School District General Obligation Bonds, Election of 2010, Series 2017" (the "Bonds") pursuant to the provisions of section 15140 and 15146 of the Education Code and section 53508.7 of the Government Code. These provisions allow a negotiated private sale and the term of bonds that are issued and sold can be up to 40 years in duration [see Government Code section 53508(f)] rather than 25 years [see Education Code section 15144] thus providing the District with greater flexibility in managing its finances.

Section 15140(b) of the California Education Code provides that the board of supervisors of any county may provide by resolution that the governing board of any school district over which the county superintendent of schools has jurisdiction, and which has not received a qualified or negative certification in its most recent interim report, may issue and sell bonds on its own behalf without further action of the board of supervisors or officers of that county or of any other county in which a portion of the school district is located.

The District Resolution requests that the Napa County Board of Supervisors authorize the District to issue and sell its Bonds on its own behalf at a negotiated private sale pursuant to sections 15140 and 15146 of the Education Code and section 53506 et seq., including section 53508 and 53508.7, of the Government Code, subject however to the terms set forth in the District Resolution. The District Resolution represents and warrants to the County that it has not received a qualified or negative certification in its most recent interim report.

A copy of the adopted District Resolution is attached.

The recommended County Resolution includes the standard condition of approval that the County shall not be responsible for any aspect of the sale of these Bonds following the adoption of the attached County Resolution granting the District the ability to sell the Bonds at a private sale without County involvement. The County Resolution also provides that the County shall not be responsible if the District fails to provide to the county auditor

and county treasurer in a timely manner copies of the authorizing resolution, the final debt service schedule for the Bonds, reflecting the principal amounts and interest rates of such Bonds in sufficient time to permit the County to establish tax rates and necessary funds or accounts for the Bonds. These time deadlines will be established by the Auditor-Controller and Treasurer Tax-Collector.

The attached proposed resolution, if adopted, will provide the necessary authorization.

Staff recommends adoption.

SUPPORTING DOCUMENTS

A . Resolution

B . District's Resolution

CEO Recommendation: Approve

Reviewed By: Helene Franchi