



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: March 13, 2018

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TO: Board of Supervisors

SUBJECT

BONSALL UNIFIED SCHOOL DISTRICT 2018 GENERAL OBLIGATION REFUNDING BONDS (DISTRICT: 5)

OVERVIEW

On November 8, 2005, an election was held in the Bonsall Unified School District (“District”), whereby at least 55% of the voters approved the issuance of \$17,000,000 in general obligation bonds (“Authorization”). Proceeds from the sale of the bonds are to be used to finance the repair and rehabilitation of schools, and the construction and acquisition of new classrooms and school facilities.

Since the approval of the Authorization, the Governing Board of the District (“District Board”) has issued multiple series of bonds, including Bonsall Union School District General Obligations Bonds, Election of 2005, Series 2007C (“2007C GO Bonds”) in the principal amount of \$4,698,308.75. On February 8, 2018, the District Board approved the issuance of not to exceed \$2,250,000 of general obligation refunding bonds and wishes to authorize the issuance and sale of its Bonsall Unified School District 2018 General Obligation Refunding Bonds (“2018 GO Refunding Bonds”) for the purpose of refunding all or a portion of 2007C GO Bonds.

Today’s recommendation will authorize the execution of a paying Agent Agreement, between the District and the Treasurer-Tax Collector, by the Treasurer-Tax Collector and to formally direct the Auditor and Controller to maintain the tax roll for the Refunding Bonds.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

Adopt a Resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO, CALIFORNIA, AUTHORIZING THE COUNTY TREASURER-TAX COLLECTOR TO EXECUTE A PAYING AGENT AGREEMENT AND FORMALLY DIRECTING THE COUNTY AUDITOR AND CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL FOR THE BONSALL UNIFIED SCHOOL DISTRICT 2018 GENERAL OBLIGATION REFUNDING BONDS

SUBJECT: BONSALL UNIFIED SCHOOL DISTRICT 2018 GENERAL OBLIGATION REFUNDING BONDS (DISTRICT: 5)

FISCAL IMPACT

The 2018 GO Refunding Bonds will be general obligations of the District, to be paid from ad valorem property taxes levied within the boundaries of Bonsall Unified School District, and do not constitute an obligation of the County.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Debt Advisory Committee, composed of the Assistant Chief Administrative Officer/COO, the Deputy Chief Administrative Officer/Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

BACKGROUND

The District

The Bonsall Unified School District (“District”) was established as a union school district in 1895, encompasses approximately 88 square miles and is located in and serves the community of Bonsall, as well as portions of the cities of Fallbrook, Vista, Oceanside, Escondido and Pala, all of which is located in the northern portion of San Diego County (the “County”). In 2014, pursuant to the relevant provision of the California Education Code, the District reorganized into a unified school district with its boundaries unchanged.

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Board appointed Superintendent who is responsible for the day-to-day operations and the supervision of other key personnel.

Authority of Issuance

The 2018 GO Refunding Bonds would be issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 et seq., and other applicable law, and pursuant to a resolution adopted by the District Board on February 8, 2018.

Purpose of Issuance

Proceeds of the 2018 GO Refunding Bonds will be used to refund all or a portion of the outstanding 2007C GO Bonds authorized on February 8, 2018 for the purpose of realizing debt service savings to the taxpayers of the District.

Sale of the Bonds

The 2018 GO Refunding Bonds are anticipated to be sold as current interest bonds. The 2018 GO Refunding Bonds final maturity date shall not be later than the final date of the 2007C GO Bonds which are refunded.

Pursuant to the District Resolutions, the 2018 GO Refunding Bonds shall be sold via private placement to a purchaser or an affiliate thereof to be selected by the Superintendent or Assistant

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Superintendent of the District pursuant to terms and conditions set forth in the related Purchase Agreement, a form of which has been approved by the District Board. Authorized officers of the District may determine the principal amount of the Bonds, and have been authorized to enter into and execute the Purchase Agreement so long as certain conditions, e.g., maximum principal, maximum costs of issuance, and maximum underwriter's discount, are satisfied. The private placement is a competitive process that often times provides flexibility on timing and structure of the bonds and can be more cost effective to sell bonds via private placement than a public offering.

Repayment of the 2018 GO Refunding Bonds

The 2018 GO Refunding Bonds represent general obligations of the District payable from certain property taxes levied within its boundaries. The County, on behalf of the District, is empowered and obligated to annually levy ad valorem taxes, without limitation of rate or amount, for the payment of principal and interest of the Bonds due and payable in the next succeeding bond year. The annual tax levy will be based on the assessed value of taxable property in the District. Fluctuation in the assessed value of property in the District as well as the issuance of additional bonds pursuant to the Authorization may cause the annual tax levy and tax rate to fluctuate.

Role of the County of San Diego

The Auditor and Controller's office annually calculates the amount of taxes to be levied to meet the debt service requirement and develops the tax rates for approval by the Board of Supervisors. The Treasurer-Tax Collector may act as paying agent for the 2018 GO Refunding Bonds pursuant to the District Resolution and the Paying Agent Agreement.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed recommendation supports the Operational Excellence Strategic Initiative in the County of San Diego's 2018-2023 Strategic Plan by supporting the District's objective of improving the quality of education for students by effectively managing its bond program.

Respectfully submitted,



HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

1. County Resolution
2. Form of Paying Agent Agreement
3. District Resolution

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REFUNDING BONDS (DISTRICT: 5)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Finance and General Government Group Executive Office

OTHER CONCURRENCE(S): Debt Advisory Committee

CONTACT PERSON(S):

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