

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM
3.54
(ID # 8325)**

MEETING DATE:

Tuesday, December 4, 2018

FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Adopt Resolution No. 2018-209 Authorizing the governing Boards of certain school districts and community college districts to issue and sell bonds on their own behalf, All Districts. [\$0] (VOTE ON SEPARATELY)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2018-209 Authorizing the governing Boards of certain school districts and community college districts to issue and sell bonds on their own behalf without further action of the Board of Supervisors and with minimal action by County Officers.

ACTION: Policy, Separate Vote Required

Jon Christensen, Treasurer-Tax Collector

11/8/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: December 4, 2018
xc: Treasurer

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: n/a			Budget Adjustment:	No
			For Fiscal Year:	19/20

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Pursuant to California Education Code Section 15140(a), general obligation bonds of a school district or community college district shall be offered for sale by the board of supervisors of the county as soon as possible following receipt of a resolution duly adopted by the governing board of the school district or community college district.

California Education Code Section 15140(b) provides that the board of supervisors may provide by resolution that the governing board of any school district or community college 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.

Prior to the passage of Assembly Bill No. 182 in 2013 and certain changes in Securities and Regulation Commission regulations governing the issuance of bonds by school districts and community college districts, participation in such issuance by the Treasurer–Tax Collector, which serves as the Board of Supervisors agent in these matters, was more active, particularly in the pricing and sale of the bonds and in monitoring the underwriters and the pricing process.

With the passage of Assembly Bill No. 182 and the changes in Securities and Regulation Commission regulations, the benefit of the participation by the Treasurer –Tax Collector in the issuance of such bonds has been significantly reduced.

Assembly Bill No. 182 also addressed the abuse of capital appreciation bonds by placing certain limits on such bonds. Additionally, school districts and community college districts utilize the services of independent financial advisors who monitor and assist in the sale of bonds. Municipal advisor rules require financial advisors to certify that they represent only the issuer of the bonds, which adds an additional layer of scrutiny to the overall issuance process.

Although the County will not participate in the issuance or sale of school bonds there will still be County involvement. The County will levy and collect Ad Valorem taxes and will hold funds collected and bond proceeds in the County Treasury, and County Counsel's Office will review bond documents. Additionally, the Auditor-Controller may be required to complete and execute a Certificate Re: Bonding Capacity.

County Counsel has reviewed Resolution No. 2018-209 and has approved it as to form.

Impact on Residents and Businesses

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

None.

ATTACHMENTS:

Resolution No. 2018-209


Stephanie Perez, Principal Management Analyst 11/26/2018


Gregory P. Priamos, Director County Counsel 11/14/2018

1 Board of Supervisors

County of Riverside

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3 RESOLUTION NO. 2018-209
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5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 AUTHORIZING THE GOVERNING BOARDS OF CERTAIN SCHOOL DISTRICTS AND
7 COMMUNITY COLLEGE DISTRICTS TO ISSUE AND SELL BONDS ON THEIR OWN BEHALF
8 WITHOUT FURTHER ACTION OF THE BOARD OF SUPERVISORS OR COUNTY OFFICERS
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10 WHEREAS, California Education Code Section 15140 provides that bonds of a school
11 district or community college district are to be offered for sale by the board of supervisors of the county,
12 unless the board of supervisors adopts a resolution allowing the district to issue and sell bonds on its own
13 behalf without further action of the board of supervisors or officers of the county; and,

14 WHEREAS, California Education Code Section 15140 further provides that the board of
15 supervisors may only authorize a school district or community college district to issue and sell bonds on its
16 own behalf if the school district or community college district has not received a qualified or negative
17 certification from the County Office of Education based on the district's most recent interim report
18 reflecting the district's ability to meet current and forecasted financial obligations; and,

19 WHEREAS, the Riverside County Board of Supervisors (the "Board of Supervisors") finds
20 and determines that it is in the best interest of the County of Riverside ("the County") and school districts
21 and community college districts that qualifying school districts and community college districts be
22 authorized to issue and sell voter-approved general obligation bonds without further action by the Board of
23 Supervisors or officers of the County; now, therefore,

24 BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Supervisors of the
25 County of Riverside, State of California, in regular session assembled on December 4, 2018 as follows:

26 Section 1. The foregoing recitals are true and correct.

27 Section 2. The governing board of any school district or community college district under
28 the jurisdiction of the Riverside County Superintendent of Schools which has not received a qualified or

1 negative certification from the Riverside County Office of Education based on that district's most recent
2 interim financial report, is hereby authorized and directed to issue and sell voter-approved general
3 obligation bonds on its own behalf without further action of the Board of Supervisors or County officers.

4 Whenever the governing board of a school district or community college district issues
5 bonds or refunding bonds payable from ad valorem taxes, the governing board shall transmit the
6 authorizing resolution and debt service schedule, including the debt service schedule for the bonds to be
7 refunded, to the County Auditor and County Treasurer in sufficient time to permit the County to establish
8 tax rates and necessary funds or accounts for the bonds.

9 Such school district or community college district bonds shall be general obligations of the
10 district and shall not be a debt or obligation of the County. No part of any fund of the County shall be
11 pledged or obligated to the payment of the bonds.

12 Section 3. For bonds issued and sold by the governing board of a school district or
13 community college district, the County shall levy and collect taxes on all taxable property within the
14 district to pay outstanding bonds; and the County Treasurer shall hold these tax funds and the bond
15 proceeds. The bond proceeds, exclusive of any premium received, must be deposited in the County
16 treasury to the credit of the building fund of the district, and may be drawn as other school moneys are
17 drawn out. Bond proceeds so withdrawn may not be applied to any other purposes than those for which the
18 bonds were issued. At the direction of the governing board of the district, the County Treasurer may cause
19 a portion of the proceeds of the bonds to be deposited in a cost of issuance account to be held by the
20 district's appointed fiscal agent. Any premium or accrued interest received from the sale of the bonds must
21 be deposited in the interest and sinking fund of the district to be used solely to pay principal and interest on
22 the bonds. The County shall have no responsibility for assuring the proper use of the bond proceeds by the
23 district. The County shall have no responsibility for assuring the proper use of the bond proceeds by the
24 district.

25 Section 4. This resolution shall take effect immediately upon its adoption.
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2 **RESOLUTION 2018-209**

3 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE**
4 **COUNTY OF RIVERSIDE AUTHORIZING THE GOVERNING BOARDS OF CERTAIN**
5 **SCHOOL DISTRICTS AND COMMUNITY COLLEGE DISTRICTS TO ISSUE AND SELL**
6 **BONDS ON THEIR OWN BEHALF WITHOUT FURTHER ACTION OF THE BOARD OF**
7 **SUPERVISORS OR COUNTY OFFICERS**

8 ADOPTED by Riverside County Board of Supervisors on December 4, 2018.

9 **ROLL CALL:**

10 **Ayes:** Jeffries, Tavaglione, Washington, Perez and Ashley
11 **Nays:** None
12 **Absent:** None

13 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of
14 Supervisors on the date therein set forth.

15 **KECIA HARPER-IHEM, Clerk of said Board**

16 **By:**

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18 Deputy

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23 12.04.18 3:54
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