

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

224A



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
February 29, 2008

SUBJECT: Resolution No. 2008-151 - Banning Unified School District, General Obligation Bonds, 2006 Election, Series B (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2008-151, Authorizing the Issuance and Sale of General Obligation Bonds of Banning Unified School District not to Exceed the Maximum Aggregate Principal Amount of \$24,000,000 and Authorizing a Validation Action Related to the Bonds.

BACKGROUND: Education Code Section 15140 requires that General Obligation Bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that district, and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page 2)

Paul McDonnell

Paul McDonnell, Treasurer - Tax Collector

FORM APPROVED COUNTY COUNSEL
BY: *Wanda Gardner* 2/27/08
DALE A. GARDNER DATE

Departmental Concurrence

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Christopher M. Hans

BY: Christopher M. Hans

County Executive Office Signature

Dept't Recomm.: Consent Policy

Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: _____ District: _____ Agenda Number: _____

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.59

The Riverside County Superintendent of Schools has jurisdiction over the Banning Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District. To that end, the District's Board of Trustees adopted Resolution No. 07-08-19 requesting this Board to sell the District's general obligation bonds in an aggregate principal amount not to exceed \$24,000,000.

An election was held on November 7, 2006, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Section 15266 of the Education Code which codifies, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$63,000,000 was approved by more than 55% of the qualified voters voting on the measure.

On January 26, 2007, the Riverside County Board of Supervisors adopted Resolution No. 2007-049 which authorized the issuance and sale of Banning Unified School District General Obligation Bonds, 2006 Election, Series A (the "Series A Bonds") in an aggregate principal amount not to exceed \$13,500,000. On March 15, 2007, these Series A Bonds were issued.

Resolution No. 2008-151 authorizes the issuance and sale of the next series of bonds (the "Series B Bonds") previously authorized by the voters at the November 7, 2006 election. In addition, Resolution No. 2008-151 authorizes Bond Counsel Bowie, Arneson, Wiles & Giannone to act as Special Counsel to the County and the School District for the purpose of filing a validation action in Riverside County Superior Court to validate the Series B Bonds, related legal documents, and matters. The District has agreed to pay all costs, fees, and expenses related to the validation action and has agreed to indemnify and hold the County harmless from any associated cost, fee, award, or expense.

In accordance with Proposition 39, the District has covenanted that the proceeds of the Series B Bonds shall only be expended for identified school facilities and improvements and that all expenditures shall be subject to the review of a citizen's oversight committee appointed by the District's Board of Trustees.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2008-151 and has approved it as to form.