DATE:      May 12, 2020
TO:        Board of Supervisors
FROM:      Alan Minato, Director, Finance Agency

SUBJECT:   Mountain View Whisman School District Election of 2020 General Obligation
           Bonds, Series A and A-1

RECOMMENDED ACTION

Adopt Resolution authorizing the Mountain View Whisman School District to sell Election
of 2020 General Obligation Bonds, Series A (Federally Tax-Exempt) and Series A-1
(Federally Taxable), on its own behalf in an aggregate principal amount not to exceed
$85,000,000.

FISCAL IMPLICATIONS

There is no fiscal impact to the County of Santa Clara (the “County”). The County incurs no
financial liability from this financing, and neither the faith and credit nor the taxing power of
the County is pledged in any way in connection with this financing.

The attached resolution, as written, allows the County to recover any additional investment
management costs incurred by the County to invest outside of the County Pooled Investment
Fund (the “Commingled Pool”). These include, but are not limited to, staffing or financial
resources expended on behalf of the Mountain View Whisman School District (the
“District”) beyond those provided by the Commingled Pool.

REASONS FOR RECOMMENDATION

This resolution is part of the legal documentation necessary for the issuance of general
obligation bonds by the District. General obligation bonds are funded through property
taxes. The Finance Agency collects the property taxes and facilitates the appropriate debt
service payments. As provided by the District’s resolution, the bond proceeds must be
deposited into the County Treasury until expended. A copy of the District’s resolution and
related documents are on file at the Finance Agency.

CHILD IMPACT

The recommended action will have a positive impact on children.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**

The recommended action will have no/neutral sustainability implications.

**BACKGROUND**

On March 3, 2020, the voters of the District approved the issuance of general obligation bonds for the various purposes set forth in the ballot in the maximum amount not to exceed $85,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”).

On April 2, 2020, the Board of Trustees of the District adopted Resolution No. 04-040220 authorizing the issuance of the first and second series of bonds pursuant to the Authorization, designated as “Mountain View Whisman School District (Santa Clara County, California) Election of 2020 General Obligation Bonds, Series A (Federally Tax-Exempt) and A-1 (Federally Taxable)” in an aggregate principal amount not to exceed $85,000,000.

The District is requesting the bond issuance under California Education Code Section 15140(b), where a school district may issue and sell bonds on its own behalf and without further action by the Board of Supervisors or other offices of the County, provided the District has not received a qualified or negative certification in its most recent interim report. The District has represented and warranted to the County that it has not received a qualified or negative certification in its most recent interim report.

If the District were to request the County Treasurer to invest the proceeds of the bonds in investments that the County determines would impose additional financial, staffing or other burdens on the County beyond the burdens associated with investing the proceeds of the bonds as part of the Commingled Pool, any additional costs borne shall be reimbursed to the County. These include, but are not limited to, the costs of obtaining the services of an outside investment manager. Contracting decisions to engage the services of an investment manager shall be mutually agreed upon by both the County and the District. The District shall indemnify the County and its agents, as stated in the resolution, in connection with the performance of the investment manager or the results of the investment, excepting only the sole negligence or willful misconduct of the County or its officials, employees and agents.

**CONSEQUENCES OF NEGATIVE ACTION**

The District would be unable to issue the bonds.

**STEPS FOLLOWING APPROVAL**

Request the Clerk of the Board to send by mail one approved copy of the resolution to:

Stradling Yocca Carlson & Rauth, 660 Newport Center Drive, Suite 1600, Newport Beach, CA 92660, c/o Jonathan Guz.

**ATTACHMENTS:**

- County Resolution (PDF)
- District Resolution (PDF)