



COUNTY OF HUMBOLDT

Legislation Details (With Text)

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Title: Authorize Issuance and Sale of Bonds Approved by Voters in 2008 and 2016 Elections on Behalf of the Klamath-Trinity Joint Unified School District
Sponsors: Amy Nilsen
Indexes:
Code sections:
Attachments: 1. Staff Report, 2. Background letter to J. Bartholomew - Hum. Co. Treasurer, 3. Resolution Providing for Sale of Bonds - Election of 2008, Series C, 4. Resolution Providing for Sale of Bonds - Election of 2016, Series B, 5. Resolution 19-70, 6. Resolution 19-71

Date	Ver.	Action By	Action	Result
7/30/2019	1	Board of Supervisors	approved	Pass

To: Board of Supervisors
From: County Administrative Office
Agenda Section: Consent

SUBJECT:

Authorize Issuance and Sale of Bonds Approved by Voters in 2008 and 2016 Elections on Behalf of the Klamath-Trinity Joint Unified School District

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Chair to sign the attached resolutions authorizing the County of Humboldt to issue and sell general obligation bonds approved by voters in 2008 and 2016 on behalf of the Klamath-Trinity Joint Unified School District; and
2. Authorize the Chair, Clerk of the Board and Treasurer-Tax Collector to sign any future documents necessary to process the sale of the aforementioned bonds.

SOURCE OF FUNDING:

N/A

DISCUSSION:

The Klamath-Trinity Joint Unified School District is requesting the Board of Supervisors to issue and sell bonds on its behalf. The district is currently prohibited from issuing bonds on its own behalf because the district projects it will not have minimum required reserves in future years, giving it a

“qualified” or interim certification for its 2018-19 fiscal year report. By issuing and selling bonds on the district’s behalf, the district will be able to pay back prior certificate of participation debt, making it eligible to receive certain state funding. The attached resolutions contain provisions that would hold the county harmless for issuing the bonds.

Background:

Voters approved in 2008 and 2016 the Klamath-Trinity Joint Unified School District to issue bonds in the amounts of \$5.96 million and \$6.5 million, respectively. The 2008 bonds were designated to provide financing for specific school facilities projects, and the 2016 bonds to make health and safety improvements, and improve student access to computers and modern technology.

The school district is looking to issue and sell all of its remaining general obligation bond authority (\$4.2 million) and use that entire amount to repay a portion of the outstanding 2016 certificate of participation (commonly known as COPs) issued by the district in 2016. Repayment of the COPs is required by the state to ensure that no findings of a material inaccuracy is entered against the district with respect to its receipt of School Facilities Program funding under the Facilities Hardship and Financial Hardship programs. The district projects that its general fund may not meet minimum fund balance reserve levels in future years, giving the district a “qualified certification” of its interim report for fiscal year 2018-19. Because of this status, the district is required (pursuant to Assembly Bill 182, 2013-14 session) to have the Board of Supervisors issue these bonds on its behalf. A full background is included in Attachment 1.

FINANCIAL IMPACT:

There is minimal financial impact to preparing this agenda item. Staff in the Treasurer-Tax Collector’s Office would work with the school district and its financial advisors and bond counsel to issue and sell bonds on behalf of the school district. If the district was unable to pay back the bonds, the county would not be liable due to the indemnification provisions in the attached resolutions.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by building interjurisdictional and regional cooperation .

OTHER AGENCY INVOLVEMENT:

Klamath-Trinity Unified School District

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to issue and sell bonds on behalf of the school district. This is not recommended, however, as the county would not be liable for the financing and it would make much more difficult the school district’s ability to secure future state funding.

ATTACHMENTS:

1. Letter from school district financial advisor with background
2. Resolution authorizing issuance and sale of 2008 bonds
3. Resolution authorizing issuance and sale of 2016 bonds

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A