

**COUNTY OF SONOMA  
AGENDA ITEM  
SUMMARY REPORT**

**Clerk of the Board Use Only**  
Meeting Date  
\_\_\_\_/\_\_\_\_/\_\_\_\_  
Agenda Item No:  
\_\_\_\_\_

Department: Auditor-Controller/Treasurer-Tax Collector

( ) 4/5 Vote Required

Contact:  
Cathy Patton

Phone:  
(707) 565-2073

Board Date:  
10/27/09

Deadline for Board Action:  
10/27/09

**AGENDA SHORT TITLE:**

Windsor Unified School District, 2009 Qualified School Construction General Obligation Bonds, Election 2008, Series C

**REQUESTED BOARD ACTION:**

Approval of Resolution authorizing the Windsor Unified School District to Issue Qualified School Construction Bonds Directly in Accordance with Education Code Section 15140

**CURRENT FISCAL YEAR FINANCIAL IMPACT**

<u>EXPENDITURES</u>		<u>ADD'L FUNDS REQUIRING BOARD APPROVAL</u>	
Estimated Cost	\$	Contingencies (Fund Name: )	\$
Amount Budgeted	\$	Unanticipated Revenue (Source: )	\$
Other Avail Approp (Explain below)	\$	Other Transfer(s) (Source: )	\$
Additional Requested:	\$	Add'l Funds Requested:	\$

**Explanation (if required):**

**Prior Board Action(s):** In the past 15 years, the Board of Supervisors has approved four (4) General Obligation Bonds for the District totaling \$39,985,001. Series A was approved on 4-1-08 (08-0285) and Series B on 6-2-09 (09-0505).

**Alternatives - Results of Non-Approval:** The Windsor Unified School District may have to postpone certain improvements intended for this bond issue. Improvements and projects would not be completed unless alternative funding could be found. The School District would miss favorable pricing for the issuance of the bonds. The County could be the issuer of the bonds as opposed to the District.

**Background:**

The Windsor Unified School District has recently received an allocation from the California Department of Education to issue Qualified School Construction Bonds in the principal amount of \$9 million. Qualified School Construction Bonds represent a new category of debt which is authorized under the American Recovery and Reinvestment Act of 2009. Such bonds do not bear tax-exempt interest; rather, the owner of the bonds is entitled to a quarterly tax credit against the bond owner's federal income tax liability. The District has determined to issue the Qualified School Construction Bonds in the form of general obligation bonds under the Education Code.

Existing law (Section 15140 of the Education Code) permits the board of supervisors of counties to allow school districts to issue their general obligation bonds directly rather than through the board of supervisors. To date, very few Qualified School Construction Bonds have been issued in the State of California. Because they are a new financial product with many uncertain and complicated provisions, the District has requested the County to allow the District to issue the bonds directly in its own name in order to avoid the need to fully involve the County in the intricacies of the financing program. Due to these intricacies, the issuer could incur significant administrative responsibilities in the future. If the Board adopts a resolution permitting the District to issue the bonds directly, such administrative responsibilities will be borne by the District rather than the County. Because the program for issuing Qualified School Construction Bonds expires after 2010 and the statewide allocation is limited, it is unlikely that the County will be involved in any other issues of Qualified School Construction Bonds.

Legal documents prepared by Chick Adams and Alison Bengel of Jones Hall.

**Requested Action:**

Approval of a Resolution of the Board of Supervisors authorizing the Windsor Unified School District to issue Qualified School Construction Bonds Directly in Accordance with Education Code Section 15140.

**Attachments:** Resolution of the Board of Supervisors, County of Sonoma

**On File With Clerk:**

**CLERK OF THE BOARD USE ONLY**

**Board Action** (If other than "Requested")

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**Vote:**