

Meeting date: February 6, 2019

Item 10. C. Adopt Resolution #03-2019: Authorizing the Issuance of Portola Valley School District (San Mateo County, California) Election of 2018 General Obligation Bonds, Series 2019A and Actions Related Thereto

Presented by: Chief Business Official Connie Ngo

Classification: Business of the Organization

Materials attached: Yes

ACTION are available at the District Office and at this evening's meeting for review.

Action

District administration recommends approval of Resolution #03-2019: Authorizing the Issuance of Portola Valley School District (San Mateo County, California) Election of 2018 General Obligation Bonds, Series 2019A and Actions Related Thereto.

Supplemental materials such as the Purchase Contract and Preliminary Official Statement are available at the District Office and at this evening's meeting for review.

Background

An Election was held in the Portola Valley School District on November 6, 2018 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum amount of \$49,500,000 (the "Measure Z"). The District now desires to issue its first series of bonds under Measure Z in an amount not-to-exceed \$20,000,000.

(a) Bond Resolution. This Resolution authorizes the issuance of Measure Z general obligation bonds (the "Bonds"), specifies the basic terms, parameters and forms of the Bonds, and authorizes the preparation of the Purchase Contract and the Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Bonds to be issued (\$20,000,000). Section 4 of the Resolution states the maximum underwriter's discount (0.325%) with respect to the Bonds, and authorizes the Bonds to be sold at a negotiated sale to Piper Jaffray & Co (the "Underwriter"). The Resolution authorizes only the issuance of current interest bonds; capital appreciation bonds are not being authorized.

(b) Form of Purchase Contract. The Resolution approves the form of the Purchase Contract (the “Purchase Contract”). Pursuant to the Purchase Contract, the Underwriter will agree to buy the Bonds from the District. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Resolution approves the form of the Preliminary Official Statement (“POS”). The POS is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to among other things (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the tax levy), (v) information with respect to the District’s tax base (upon which such *ad valorem* taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX D to the POS. Effective July 3, 1995, all underwriters of municipal bonds, are obligated to procure from a bond issuer a covenant that such public agency will annually file “material financial information and operating data with respect to the District” through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (which is the federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligation issuance). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed such information in connection with prior bond issuances. The purpose of the law is to provide investors in the Bonds with current information regarding the District. Similar laws have governed the corporate debt market for many years.

Fiscal Impact

There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.