



# County of Santa Cruz

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January 21, 2000  
**Agenda: February 1, 2000**

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street, Room 500  
Santa Cruz, California 95060

**Re: School District Bond Issues**

Dear Members of the Board:

This is to submit to the Board a proposed resolution which would authorize school districts to issue and sell their bonds directly rather than by action of the Board of Supervisors. The adoption of such a resolution has been authorized by Education Code Section 15 140(b) as amended effective January 1, 2000. A copy of the relevant amended sections of the Education Code are attached. Since the Board's action in processing school district bonds has been ministerial, the adoption of this resolution will avoid unnecessary involvement of the Board in the issuance of school district bonds.

IT IS THEREFORE RECOMMENDED that your Board adopt the attached Resolution Authorizing School Districts Under The Jurisdiction Of The County Superintendent Of Schools To Issue And Sell School Bonds Directly.

Very truly yours,

DWIGHT L. HERR, COUNTY COUNSEL

RECOMMENDED:

SUSAN A. MAURIELLO  
County Administrative Officer  
cc: CAO, Auditor, Treasurer-Tax Collector

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO.

On the motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF SANTA CRUZ, CALIFORNIA, AUTHORIZING  
SCHOOL DISTRICTS UNDER THE JURISDICTION OF THE  
COUNTY SUPERINTENDENT OF SCHOOLS TO ISSUE AND SELL  
SCHOOL BONDS DIRECTLY, PURSUANT TO STATE LAW**

WHEREAS, Section 15 140(b) of the Education Code of the State of California authorizes a county board of supervisors to allow school districts over which the county superintendent of schools has jurisdiction to issue and sell school bonds directly without further action by the board of supervisors or officers of the county; and

WHEREAS, this Board of Supervisors of the County of Santa Cruz (the "County") desires to make such procedures available to the school districts of the County over which the superintendent of schools of the County has jurisdiction, pursuant to the limitations contained in said law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Cruz, as follows:

Section 1. Application of Education Code Section 15 140(b). The Board of Supervisors hereby declares that Education Code Section 15 140(b) shall hereafter be applicable to the issuance and sale of all school bonds pursuant to Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code by any school district under the jurisdiction of the Superintendent of Schools of the County, including the following provisions:

- (a) No school district that has received, at the time of the sale or issuance of the bonds, a qualified or negative certification in its most recent interim report (as defined in Article 3 of the Chapter 6 of Part 24 of Division 3 of Title 2 of the Education Code, or any successor law) shall be entitled to issue its bonds pursuant to the authority granted by this Resolution.

(b) Whenever the governing board of a school district issues bonds or refunding bonds payable from ad valorem taxes, including specifically pursuant to the authority granted by this Resolution and Section 15 140(b) of the Education Code, or Government Code Sections 53508 et seq., or Sections 53580 et seq., the governing board of that district shall be required to transmit a copy of

- (i) its resolution authorizing the issuance and sale of the bonds;
- (ii) the final debt service schedule for the bonds reflecting the principal amounts and interest rates of the bonds as determined in the sale of the bonds; and
- (iii) where applicable, the debt service schedule for any bonds to be refunded to the County Auditor-Controller and the County Treasurer-Tax Collector, no later than one week after the bonds are sold in order to permit the County to establish tax rates and necessary funds or accounts for the bonds.

Section 2. County Responsibilities. (a) The County, including the officers thereof and the Board of Supervisors, takes no responsibility for the proceedings for sale and issuance of the bonds of any school district authorized to issue its own bonds pursuant to Section 1 of this Resolution.

(b) The County shall levy and collect taxes, pay bonds, and hold bond proceeds and tax funds for school bonds duly issued and sold by a school district pursuant to the authority granted by this Resolution, as otherwise required by law.

(c) The County, including the officers thereof and the Board of Supervisors, takes no responsibility for establishing a tax rate for any new issue of school bonds, or reducing a tax rate for any outstanding issue of school bonds that may have been refunded, in any year in which the information required by Section 1(b) hereof to be delivered to the County officers is delivered later than the deadline established by such officers in order to permit compliance with Government Code Section 29100 and following.

Section 3. Deliver-v of Resolution. The Clerk of the Board of Supervisors is hereby directed to deliver a copy of this Resolution to the Superintendent of Schools of the County, who is hereby requested to communicate the adoption hereof to all interested school districts in the County.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_ d a y \_\_\_\_ o f , 2 0 0 0 , \_ b y t h e following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS  
ABSTAIN: SUPERVISORS

\_\_\_\_\_  
MARDI WORMHOUDT, Chair of  
the Board of Supervisors

ATTEST: \_\_\_\_\_  
Clerk of the Board

Approved as to form:

  
\_\_\_\_\_  
DWIGHT L. HERR, County Counsel

DISTRIBUTION: County Counsel  
County Administrative Office  
Auditor-Controller  
Treasurer-Tax Collector

**CLERK'S CERTIFICATE**

I, Clerk of the Board of Supervisors (the "Board") of the County of Santa Cruz, do hereby certify that the attached is a full, true and correct copy of a resolution and order duly adopted at a regular meeting of the Board duly and regularly and legally held at the regular meeting place thereof on \_\_\_\_\_, 2000, and duly entered in the minutes of said meeting, of which meeting all the members of the Board had due notice and at which a quorum thereof was present. Said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at the public, and a brief description of said resolution appeared on aid agenda. A copy of said agenda is attached hereto.

I further certify that I have carefully compared the attached copy with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
SUSAN ROZARIO  
Clerk of the Board of Supervisors  
County of Santa Cruz

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§ 15140. Resolution of governing board; contents

(a) Bonds of a school district or community college district shall be offered for sale by the board of supervisors of the county, the county superintendent of which has jurisdiction over the district, or the community college district governing board, where appropriate, as soon as possible following receipt of a resolution duly adopted by the governing board of the school district or community college district. The resolution shall prescribe the total amount of bonds to be sold. The resolution may also prescribe the maximum acceptable interest rate, not to exceed 8 percent, and the time or times when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds.

(b) Notwithstanding subdivision (a) or another provision of this chapter, the board of supervisors of any county may provide by resolution that the governing board of any school district or community college district over which the county superintendent of schools has jurisdiction, and which has not received a qualified or negative certification in its most recent interim report, may issue and sell bonds on its own behalf pursuant to this chapter without further action of the board of supervisors or officers of that county or of any other county in which a portion of the school district or community college district is located. The county shall levy and collect taxes, pay bonds, and hold bond proceeds and tax funds pursuant to this chapter for the bonds issued and sold pursuant to this subdivision.

(c) Whenever the governing board of a school district or community college district issues bonds or refunding bonds payable from ad valorem taxes the governing board shall transmit the authorizing resolution and debt service schedule, including the debt service schedule for the bonds to be refunded, to the county auditor and county treasurer in sufficient time to permit the county to establish tax rates and necessary funds or accounts for the bonds.

(Added by Stats.1996, c. 277 (S.B.1562), § 2, operative Jan. 1, 1998. Amended by Stats.1999, c. 667 (S.B.1118), § 6.)

**Historical and Statutory Notes**

1996 Legislation

Subordination of legislation by Stats.1996, c. 277 (S.B. 1562), to other 1996 legislation, severability of provisions, and nonsubstantive nature of changes made by that Act, see Historical and Statutory Notes under Education Code § 15100.

Former § 15140, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1990, c. 1372 (S.B.1854), § 119, relating to resolution of governing board, was repealed by Stats. 1996, c. 277 (S.B.1562), § 1, operative Jan. 1, 1998. See this section.

Derivation: Former § 15140, enacted by Stats.1976, c. 1010, § 2.

**Library References**

Legal Jurisprudences

Am Jur 2d Public Securities and Obligations §§ 129, 130,206 et seq.

§ 15141. Bonds offered for sale as a group

When authorized by the governing board of a school district or a community college district, bonds of a school district or a community college district may be offered for sale as a group by the board of supervisors of the county, the county superintendent of schools, or the governing board of a community college district, which has jurisdiction over the district, at a time determined by the board of supervisors following receipt of a resolution duly adopted by the governing board of the school district or community college district. The resolution shall prescribe the total amount of bonds to be sold. The resolution may also prescribe the maximum acceptable interest rate, not to exceed 8 percent, and the time or times when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds. Bidders shall be required to bid a lump-sum bid on all bonds as a group. If bids satisfactory to the governing board of each school district included in the group are received, the bonds offered for sale shall be awarded to the bidder whose bid will result in the lowest net interest cost for the group or for the bonds of any district included within the group. Bonds shall be issued and sold in the name of each school district or a community college district in the same manner as provided in this chapter.

(Added by Stats.1996, c. 277 (S.B.1562), § 2, operative Jan. 1, 1998.)

**Historical and Statutory Notes**

1996 Legislation

Subordination of legislation by Stats.1996, c. 277 (S.B. 1562), to other 1996 legislation, severability of provisions,

and nonsubstantive nature of changes made by that Act,

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§ 36145. Form of bonds; signatures; costs

(a) The board of supervisors by an order entered upon its minutes shall prescribe the form of the bonds. The bonds shall be signed by the chairperson of the board of supervisors, or by any other member thereof as the board of supervisors shall, by resolution adopted by a four-fifths vote of all its members, authorize and designate. for that purpose, and also signed by the treasurer of the county, and shall be countersigned by the clerk of the board of supervisors or by a deputy of either of the officers. Unless the board of supervisors otherwise provides, all the signatures and countersignatures may be printed, lithographed, engraved, or otherwise mechanically reproduced except that one of the signatures or countersignatures to the bonds shall be manually affixed. Any signature may be affixed in accordance with the provisions of the Uniform Facsimile Signatures of Public Officials Act, Chapter 6 (commencing with Section §00) of Title 1 of the Government Code. All expense incurred for the preparation, sale, and delivery of the school bonds, including but not limited to, fees of an independent financial consultant, the publication of the official notice of sale of the bonds, the preparation, printing and distribution of the official statement, the obtaining of a rating, the purchase of insurance insuring the prompt payment of interest and principal, the preparation of the certified copy of the transcript for the successful bidder, the printing of the bonds, and legal fees of independent bond counsel retained by the school district or community college district issuing the bonds are legal charges against the funds of the district issuing the bonds and may be paid from the proceeds of sale of the bonds.

(b) Notwithstanding subdivision (a), the board of supervisors may, in its discretion, determine that all of the required signatures and countersignatures shall be by facsimiles, provided, however, that the bonds shall not be valid or become obligatory for any purpose until manually signed by an authenticating agent duly appointed by the board or its authorized designee.

(Added by Stats.1996, c. 277 (S.B.1562), § 2, operative Jan. 1, 1998.)

**Historical and Statutory Notes**

**1996 Legislation**

Subordination of legislation by Stats.1996, c. 277 (S.B. 1562), to other 1996 legislation, severability of provisions, and nonsubstantive nature of changes made by that Act, see Historical and Statutory Notes under Education Code § 16100.

Former § 15145, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1988, c. 1055, § 1, relating to form and signature of bonds, was repealed by Stats.1996, c. 277 (S.B.1562), § 1, operative Jan. 1, 1998. See this section.

Derivation: Former § 15145, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1988, c. 1055, § 1.

**Library References**

**Legal Jurisprudences**

Am Jur 2d Public Securities and Obligations §§ 182 et seq.

§ 15146. Sale of bonds and deposit of proceeds

(a) The bonds shall be issued \* \* \* and sold pursuant to Section 15140, payable out of the interest and sinking fund of the district. The governing board \* \* \* may sell the bonds at a negotiated sale or by competitive bidding. The bonds may be sold at a discount not to exceed 5 percent and at an interest rate not \* \* \* to exceed the maximum rate permitted by law. If the sale is by competitive bid, the governing board \* \* \* shall comply with Sect! 16147 and 16148. The bonds shall be sold by the governing board \* \* \* no later than the date designated by the governing board \* \* \* as the final date for the sale of the bonds.

(b) The proceeds of the sale of the bonds, exclusive of any premium received, shall be deposited in the county treasury to the credit of the building fund of the school district, or community college district as designated by the California Community Colleges Budget and Accounting Manual. The proceeds deposited shall be drawn out as other school moneys are drawn out. The bond proceeds withdrawn shall not be applied to any other purposes than those for which the bonds were issued. Any premium or accrued interest received from the sale of the bonds shall be deposited in the interest and sinking fund of the district.

(c) The governing board may cause to be deposited proceeds of sale of any series of the bonds in an amount not exceeding 2 percent of the principal amount of the bonds in a costs of issuance account, which may be created in the county treasury or held by a fiscal agent appointed by the district for this purpose, separate from the building fund and the interest and sinking fund of the district. The proceeds deposited shall he drawn out on the order of the governing board or an officer of the district duly authorized by the governing board to make the order, only to pay authorized costs of issuance of the bonds. Upon the order of the governing board or duly authorized officer, the remaining balance shall be transferred to the county treasury to the credit of the building fund of the school district or community college district.

**Additions or changes indicated by underline; deletions by asterisks \* \* \***

The deposit of bond proceeds pursuant to this subdivision shall be a proper charge against the building fund of the district.

(d) The governing board may cause to be deposited proceeds of sale of any series of the bonds in the interest and sinking fund of the district in the amount of the annual reserve permitted by Section 15250 or in any lesser amount, as the governing board shall determine from time to time. The deposit of bond proceeds pursuant to this subdivision shall be a proper charge against the building fund of the district.

(e) The governing board may cause to be deposited proceeds of sale of any series of the bonds in the interest and sinking fund of the district in the amount not exceeding the interest scheduled to become due on that series of bonds for a period of two years from the date of issuance of that series of bonds. The deposit of bonds proceeds pursuant to this subdivision shall be a proper charge against the building fund of the district.

(Added by Stats.1996, c. 277 (S.B.1562), § 2, operative Jan. 1, 1998. Amended by Stats.1999, c. 667 (S.B.1118), § 7.)

**Historical and Statutory Notes**

1996 Legislation

Subordination of legislation by Stdts.1996, c. 277 (S.B. 1562), to other 1996 legislation, severability of provisions, and nonsubstantive nature of changes made by that Act, see Historical and Statutory Notes under Education Code § 15100.

Former § 15146, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1981, c. 930, § 3; Stats.1987, c. 1122,

§ 1, relating to sale of bonds and deposit of proceeds, was repealed by Stats.1996, c. 277 (S.B.1562), § 1, operative Jan. 1, 1998. See this section.

Derivation: Former § 15146, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1981, c. 930, § 3; Stats.1987, c. 1122, § 1.

**Library References**

Legal Jurisprudences  
Cal Jur 3d Sch § 109.

**§ 15147. Advertising for bids required**

Before selling the bonds, or any part of them, the board of supervisors or community college district, as appropriate, shall advertise for bids at least two weeks in some daily or weekly newspaper of general circulation published in the county whose county superintendent of schools or governing board of the community college district has jurisdiction over the district, or if there is no newspaper published in the county, in a newspaper published in some other county in the state having a general circulation in the county.

(Added by Stats.1996, c. 277 (S.B.1562), § 2, operative Jan. 1, 1998.)

**Historical and Statutory Notes**

1996 Legislation

Subordination of legislation by Stats.1996, c. 277 (S.B. 1562), to other 1996 legislation, severability of provisions, and nonsubstantive nature of changes made by that Act, see Historical and Statutory Notes under Education Code § 15100.

Former § 15147, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1990, c. 1372 (S.B.1854), § 122, relating to advertising for bids, was repealed by Stats.1996, c. 277 (S.B.1562), § 1, operative Jan. 1, 1998. See this section.

Derivation: Former § 15147, enacted by Stats.1976, c. 1010, § 2, amended by Stats.1990, c. 1372, § 122.

**Library References**

Legal Jurisprudences  
Cal Jur 3d Sch § 109.

**§ 15148. Award or rejection of bid received**

If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder or bidders, and the county clerk shall prepare and certify to all of the proceedings on file in his office relative to the issuance and sale of the bonds, which transcript of proceedings shall be delivered to the successful bidder or bidders without charge. If no bids are received, or if the board determines that the bids received exceed either the maximum acceptable interest rate prescribed by the governing board or the maximum rate prescribed by Section 15143, or that they are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and without further authorization from the governing board, either readvertise or sell the bonds at private sale.

**Additions or changes indicated by underline; deletions by asterisks \* \* \***