

SOUTH PASADENA UNIFIED SCHOOL DISTRICT
Office of the Superintendent
Geoff Yantz, Ed.D., Superintendent of Schools



M E M O R A N D U M

TO: Members of the Board of Education

FROM: Dr. Geoff Yantz, Superintendent

DATE: February 14, 2017

SUBJECT: Approval of Resolution 2016-2017-19: A RESOLUTION OF THE BOARD OF EDUCATION OF THE SOUTH PASADENA UNIFIED SCHOOL DISTRICT APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S ELECTION OF 2016 GENERAL OBLIGATION BONDS SERIES A AND APPROVING VARIOUS ACTIONS RELATED THERETO

BACKGROUND

An election was held in the South Pasadena Unified School District (the "District") on November 8, 2016 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum amount of \$98,000,000 (the "Measure SP"). On January 10, 2017, the Board of Education approved a resolution (the "Resolution of Issuance") authorizing the issuance of general obligation bonds of the District in an amount not-to-exceed \$25,000,000 (the "Bonds"). The Resolution of Issuance also approved the form of a Bond Purchase Contract and a Continuing Disclosure Certificate to be used in connection with the Bonds. Importantly, the Resolution of Issuance established as a condition precedent to the issuance of the Bonds the requirement that the Board approve the form of a Preliminary Official Statement (the "POS") at a subsequent meeting. In order to satisfy this condition precedent, the District now desires to approve the form of a POS.

The POS is the offering document describing the Bonds which will 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 *ad valorem* property tax levy), (v) information with respect to the District's tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) a description of any material litigation and other 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.

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District staff has worked with Bond Counsel to prepare the draft POS and has reviewed and commented on its content. Board members will have an opportunity through this item to review the draft POS and provide any comments or suggestions to District staff for revisions. This process for the preparation of the POS by District staff and Bond Counsel and the review by Board members is consistent with the District's adopted Disclosure Procedures.

FISCAL IMPACT

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

RECOMMENDATION

Dr. Geoff Yantz, Superintendent, recommends approval of Resolution 2016-2017-19, A RESOLUTION OF THE BOARD OF EDUCATION OF THE SOUTH PASADENA UNIFIED SCHOOL DISTRICT APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S ELECTION OF 2016 GENERAL OBLIGATION BONDS SERIES A AND APPROVING VARIOUS ACTIONS RELATED THERETO