



BOARD AGENDA ITEM FOR February 11, 2025

COMMITTEE: Board of Education
MEETING TYPE: BUSINESS SERVICES ACTION ITEMS
SECTION TYPE: BUSINESS SERVICES ACTION ITEMS
ITEM TYPE: Action Item
DEPARTMENT: Business Services

ACTION ITEM

Adopt Resolution No. 31, 2024-2025 providing for the issuance and sale of Redlands Unified School District general obligation bonds, 2024 election, Series A, in the principal amount of not to exceed one hundred million dollars (\$100,000,000); prescribing the terms of the bonds and their sale; approving the form of bonds; authorizing execution and delivery of a bond purchase agreement; authorizing delivery of a preliminary official statement and an official statement with respect to such bonds; authorizing execution of certain documents and agreements in connection with the issuance of such bonds; making certain findings and determinations and taking related actions (Appendix Item).

AGENDA ITEM DESCRIPTION

The Redlands Unified School District ("School District"), pursuant to State law, previously adopted Resolution # 6, 2024-2025 on August 6, 2024, to call a general obligation bond election within the boundaries of the School District.

On November 5, 2024, the voters within School District voted to approve "Measure D" to authorize the School District to issue general obligation bonds to finance certain specified District capital projects, facilities and supporting infrastructure ("Bond Election"). Those proceedings were authorized, and the Bond Election conducted, pursuant to the California Constitution, the provisions of Proposition 39, related California law and District Resolution # 6, 2024-2025. Under Proposition 39 the affirmative vote requirement to authorize the bonds was 55%. Measure D gathered more than the required 55% affirmative vote.

Based upon the current facilities plans and expectations and financing projections and requirements of the School District, and subject to the limitations of State law and Measure D,

it is now proposed to issue and sell a portion of the bonds authorized by Measure D, in an amount not to exceed \$100,000,000, to be designated as the "Redlands Unified School District General Obligation Bonds, 2024 Election, Series A" ("Series A Bonds"). The Series A Bonds are proposed to be issued by the District and sold pursuant to the provisions of Resolution # 31, 2024-2025 ("Bond Resolution"), which is presented to the Board of Education ("Board"), and applicable State law.

As authorized under the provisions of State law, the San Bernardino County Board of Supervisors has adopted a resolution that authorizes the School District to issue the Series A Bonds on its own behalf without further action of the County.

School District staff, the School District's Municipal (Financial) Advisor (California Financial Services), Bond Counsel (Atkinson, Andelson, Loya, Ruud & Romo) and Disclosure Counsel (Orrick, Herrington & Sutcliffe LLP) have undertaken actions to prepare for the issuance of the Series A Bonds. The School District intends to utilize the services of Stifel, Nicolaus & Company, Incorporated ("Underwriter"), to provide underwriting services for the marketing and sale of the Series A Bonds.

The Bond Resolution provides for the issuance, sale and delivery of the Series A Bonds and provides for sale parameters for the Series A Bonds which have been reviewed by the District's Municipal (Financial) Advisor and Bond Counsel. The Bond Resolution also makes certain findings and determinations and directs various actions required by State law to provide for the issuance and sale of the Series A Bonds. The Bond Resolution authorizes the Series A Bonds to be issued only as current interest bonds. As required under provisions of State law, certain financial information and projections, provided by the Municipal Advisor, is included within an exhibit to the Bond Resolution. Additional information on the structuring of the Series A Bond sale, and related financial information, will be presented to the Board at the time Resolution # 31, 2024-2025 is presented to the Board for approval.

The proposed forms of the Bond Purchase Agreement and the Continuing Disclosure Certificate relating to the Series A Bonds are attached as exhibits to the Resolution. The Bond Purchase Agreement sets out the terms under which the Series A Bonds would be sold to the Underwriter (excluding final amounts and interest rates which will be determined when the Series A Bonds are priced) and includes factual representations that the Underwriter is required to confirm in order to consummate a valid purchase of the Series A Bonds. The Continuing Disclosure Certificate is a document delivered by the District to comply with federal on-going disclosure requirements. Those requirements apply to the Series A Bonds and require that the District annually provide certain information relating to the Series A Bonds to investors and potential investors. The Bond Purchase Agreement and Continuing Disclosure Certificate are presented to the Board in draft form and will be finalized during the process for the issuance and sale of the Series A Bonds.

A Preliminary Official Statement, by which the Series A Bonds will be offered to purchasers through the Underwriter, has also been prepared by the School District's Disclosure Counsel and provided to the School District in draft form. It is important that each member of the Board read and be familiar with the contents of the Preliminary Official Statement inasmuch as this document constitutes the School District's principal offering document for this transaction. Comments or questions concerning matters or information in the Preliminary Official Statement should be directed to School District staff or Disclosure Counsel. The issuance of the Series A Bonds is also subject to the requirements and limitations of Proposition 39. Various other findings and determinations required by Proposition 39 and

State law are included with Resolution # 31, 2024-2025.

The Board has also been presented with information with regard to the proposed structure of the Series A Bonds and potential tax rate implications of the issuance of the Series A Bonds.

Estimates of the Costs of Issuance of the Series A Bonds are provided in Resolution # 31, 2024-2025 as an Exhibit. Fees for legal counsel, financial advisory services and underwriting fees for the Series A Bonds are contingent upon the successful issuance and sale of the Series A Bonds. Additional financial information, provided for compliance with State law and transparency purposes, are included in or with the Bond Resolution and will be provided to the Board by the District's Municipal Advisor.

ATTACHMENTS