

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

April 6, 2021

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Authorize Issuance and Sale of San Bernardino City Unified School District Cross Fiscal Year 2020-21 Tax and Revenue Anticipation Notes in the Amount Not to Exceed \$105,000,000

RECOMMENDATION(S)

Adopt **Resolution No. 2021-39** providing for the issuance by the County of San Bernardino, on behalf of San Bernardino City Unified School District, of Cross Fiscal Year 2020-21 Tax and Revenue Anticipation Notes in an amount not to exceed \$105,000,000.

(Presenter: John Johnson, Chief Deputy Treasurer, 382-3007)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost).

BACKGROUND INFORMATION

The Board of Trustees of the San Bernardino City Unified School District ("District") adopted a resolution on March 16, 2021, approving the borrowing of funds in an amount not to exceed \$105,000,000 for Cross Fiscal Year 2020-21, and to authorize the issuance of Tax and Revenue Anticipation Notes. The Cross Fiscal Year Tax and Revenue Anticipation Notes program raises funds to compensate for payments owed to districts in one fiscal year but not paid until the next. Government Code Section 53850 et seq. permits the District to borrow money by the issuance of such temporary notes. Government Code Section 53853(a) requires the San Bernardino County Board of Supervisors, as soon as possible following the receipt of the resolution of the District Board of Trustees, to issue such notes in the name and on behalf of the District. On July 23, 2002 (Item No. 65), the Board of Supervisors adopted Resolution No. 2002-218 authorizing school districts and community college districts to issue general obligation bonds on their own behalf without approval from the Board of Supervisors. The statutory scheme permits the process for general obligation bonds but does not currently permit a similar process for the issuance of Tax and Revenue Anticipation Notes.

Pursuant to Government Code Section 53853(b), San Bernardino County took action on February 8, 2011, to authorize County Counsel to decline requests for issuance of Tax and Revenue Anticipation Notes if the School District was a part of a financing pool. In this case, the District chose not to participate in the financing pool. Since County Counsel is not authorized to

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decline this request, Board of Supervisors authorization is required for the issuance of the Tax and Revenue Anticipation Notes on behalf of the District. In order for this action to be unnecessary, the statutes governing this issuance of such notes would need to be amended to permit districts to issue the notes on their own behalf. The District is obligated to repay the Notes and there is no financial obligation on the part of the County to repay the Notes.

The Debt Advisory Committee reviewed the financing at its March 18, 2021, meeting and recommended the financing to be brought to the Board of Supervisors for approval in accordance with Government Code Section 53853(a) as described above.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Robert F. Messinger, Principal Assistant County Counsel) on March 2, 2021; Finance (Carl Lofton, Administrative Analyst, 387-5404) on March 22, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423; and Amanda Trussell, Principal Administrative Analyst, 387-4773) on March 22, 2021, and March 9, 2021, respectively.

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Record of Action of the Board of Supervisors
County of San Bernardino

Public Comment: None

APPROVED

Moved: Joe Baca, Jr. Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: April 6, 2021



cc: File - Auditor-Controller/Treasurer/Tax Collector w/ attachments
JLL 04/7/2021