

BUSINESS: Resolution No. 26:20-21 - Resolution of the Board of Trustees of the Perris Union High School District Authorizing the Issuance of Perris Union High School District (Riverside County, California) 2021 General Obligation Refunding Bonds and Actions Related Thereto (no fiscal impact)

## SUMMARY

An election was held in the Perris Union High School District on November 6, 2012 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum principal amount of \$153,420,000 (“Measure T”). On August 6, 2013, the District issued its first series of bonds under Measure T in an aggregate principal amount of \$35,000,000 (the “Prior Bonds”). The District now desires to refinance a portion of the outstanding Prior Bonds (so refunded, the “Refunded Bonds”) through the issuance of general obligation refunding bonds (the “Refunding Bonds”) in an aggregate principal amount not-to-exceed \$34,500,000. The refinancing is intended to generate debt service savings, with all benefits from the refunding delivered to the property owners in the District. The final maturity of the Refunding Bonds will not be later than the maturity dates of the Refunded Bonds (September 1, 2042).

(a) Refunding Bond Resolution. This Resolution authorizes the issuance of Refunding Bonds, specifies the basic terms, parameters and forms of the Refunding Bonds, and approves the forms of Purchase Contract, Preliminary Official Statement, Continuing Disclosure Certificate, and Escrow Agreement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate initial principal amount of the Refunding Bonds to be issued (\$34,500,000). Section 4 of the Resolution states the maximum underwriter’s discount (0.50%) with respect to the Refunding Bonds, the maximum legal interest rate on the Refunding Bonds, and authorizes the Refunding Bonds to be sold at a negotiated sale to Stifel, Nicolaus & Company, Incorporated, as the underwriter (the “Underwriter”). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized.

(b) Form of Purchase Contract. Pursuant to the Purchase Contract, the Underwriter will agree to buy the Refunding 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 Refunding Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement (the “POS”) is the offering document describing the Refunding Bonds which may be distributed to prospective purchasers of the Refunding Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Refunding Bonds, (ii) the terms of the Refunding Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Refunding Bonds, if any, (iv) the security for repayment of the Refunding 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 Refunding Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Refunding Bonds. Following the pricing of the Refunding Bonds, a final Official Statement for the Refunding 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 C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file “material financial information and operating data” with respect to such public agency through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information regarding the District, in the same manner the District has filed in connection with prior bond issuances.

(e) Form of the Escrow Agreement. Pursuant to the Escrow Agreement, proceeds from the sale of the Refunding Bonds in an amount sufficient to redeem the Refunded Bonds will be deposited in an escrow fund (the “Escrow Fund”) held by U.S. Bank National Association (acting as “Escrow Agent”). The monies in the Escrow Fund will be used by the Escrow Agent to refund the Refunded Bonds on the first available redemption date for such Refunded Bonds following the closing of the Refunding Bonds. As a result of the deposit and application of funds so provided in the Escrow Agreement, the Refunded Bonds will be defeased and the obligation of Riverside County to levy *ad valorem* property taxes for payment of the Refunded Bonds will cease.