

**BOARD OF EDUCATION
CITY OF SANTA ROSA ELEMENTARY SCHOOL DISTRICT**

RESOLUTION NO. 2024/25-121

**AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, 2022 ELECTION,
2025 SERIES B, IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$30,000,000 AND APPROVING
RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the City of Santa Rosa Elementary School District (the “District”) is a school district located within the County of Sonoma (the “County”), State of California (the “State”), and is organized and operating pursuant to the Constitution and laws of the State; and

WHEREAS, an election was duly and regularly held in the District on November 8, 2022, in accordance with Section 1(b)(3) of Article XIII A of the California Constitution, for the purpose of submitting Measure G (the “Bond Measure”) to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$125,000,000, and more than the requisite 55% of votes cast were in favor of the Bond Measure; and

WHEREAS, the abbreviated form of the Bond Measure is:

“To upgrade Santa Rosa elementary school classrooms, science labs, learning technology and art and music classrooms; repair/ replace deteriorating portables, leaky roofs inefficient heating/ cooling/ electrical/ plumbing systems; and improve campus security, fire and earthquake safety; shall City of Santa Rosa Elementary School District’s measure authorizing \$125,000,000 in bonds at legal rates be adopted, levying 3¢/ \$100 of assessed value (\$6,300,000 annually) while bonds are outstanding, requiring independent oversight, annual audits, and all funds controlled locally?”; and

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Bond Law”), general obligation bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to voters in the Bond Measure; and

WHEREAS, pursuant to the Bond Measure and the Bond Law, on April 18, 2023, the District issued its General Obligation Bonds, 2022 Election, 2023 Series A, in the aggregate principal amount of \$32,000,000; and

WHEREAS, the District has certified its second interim budget report for fiscal year 2024-25 as qualified, within the meaning of Section 42133 of the California Education Code; and

WHEREAS, Section 15140 of the California Education Code requires that bonds of a school district that has certified its most recent interim budget report as negative or qualified be offered for sale by the Board of Supervisors of the County in which such district is located; and

WHEREAS, the District wishes at this time to initiate proceedings for the issuance of a second series of bonds pursuant to the authorization of the Bond Measure and the Bond Law, in the aggregate principal amount of not to exceed \$30,000,000, issued on a federally tax-exempt or taxable basis, or a combination thereof, to be designated "City of Santa Rosa Elementary School District General Obligation Bonds, 2022 Election, 2025 Series B" (the "2025 Series B Bonds"), as provided in this Resolution for the purpose of providing financing for projects which are authorized under the Bond Measure and the Bond Law; and

WHEREAS, the District hereby requests that the Board of Supervisors of the County, as soon as possible following receipt of this adopted resolution, offer the 2025 Series B Bonds for sale; and

WHEREAS, the District intends to sell the 2025 Series B Bonds on a negotiated basis in accordance with the Bond Law; and

WHEREAS, in accordance with Government Code Section 5852.1, the Board of Education of the District (the "Board") has obtained and disclosed the information set forth in Appendix A hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the City of Santa Rosa Elementary School District as follows:

SECTION 1. *Recitals.* The foregoing recitals are true and correct. This Resolution constitutes a continuing agreement between the District and the Owners of all of the 2025 Series B Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal thereof and interest and premium, if any, on all 2025 Series B Bonds, subject to the covenants, agreements, provisions and conditions herein contained.

SECTION 2. *Authorization.* The Board hereby authorizes the issuance of the 2025 Series B Bonds in an aggregate principal amount not to exceed \$30,000,000 under and subject to the terms of Article XIII A, Section 1 paragraph (b) of the California Constitution, the Bond Law and this Resolution, for the purpose of raising funds for the acquisition or improvement of educational facilities in accordance with the Bond Measure (the "Project"), and to pay related costs of issuance.

SECTION 3. *Sale by County.* The Board of Supervisors of the County is hereby requested to offer for sale the 2025 Series B Bonds on behalf of the District pursuant to Education Code Section 15140. In order to meet the requirements of law and the procedures of the County with respect to such a request, staff of the District is hereby directed to lodge a certified copy of this Resolution with the Clerk of the Board of Supervisors of the County, together with distribution Instructions, and with the Superintendent of Schools of the County promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with the 2025 Series B Bonds at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County's costs and expenses incurred in connection with the issuance and sale of the 2025 Series B Bonds. The 2025 Series B Bonds are the general obligations of the District payable solely from *ad valorem* tax levies, as further provided in the County Resolution and do not constitute

an obligation of the County except as set forth in the County Resolution. The County will bear no responsibility for the acquisition, construction, Improvement or Installation of the Project, or any part thereof.

SECTION 4. *Terms of 2025 Series B Bonds.*

(a) Terms of 2025 Series B Bonds. The District hereby requests the Board of Supervisors of the County to offer for sale the 2025 Series B Bonds, in one or more series, on a federally tax-exempt or taxable basis, or as a combination thereof.

(b) Negotiated Sale of 2025 Series B Bonds. Pursuant to Section 53508.7 of the Bond Law, the Board hereby authorizes the negotiated sale of the 2025 Series B Bonds to Raymond James & Associates, Inc, as underwriter (the "Underwriter"), pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board, among the District, the County and the Underwriter, provided that:

- (i) the 2025 Series B Bonds shall bear rates of interest and have a final maturity not exceeding the limits contained in the Bond Law;
- (ii) the 2025 Series B Bonds shall have a ratio of total debt service to principal of not to exceed four to one; and
- (iii) the Underwriter's discount shall not exceed 0.30% of the principal amount of the 2025 Series B Bonds.

In accordance with Section 53508.7 of the Bond Law, the Board has determined to sell the 2025 Series B Bonds at negotiated sale for the following reasons: (a) a negotiated sale provides more flexibility to choose the time and date of the sale which is often advantageous in the municipal bond market; (b) the involvement of the Underwriter in preparing documents, rating agency presentations and structuring bonds generally enhances the quality and results of the bond offering; (c) a negotiated sale will permit the financing structure to be adjusted, if necessary; and (d) a negotiated sale provides time for underwriters to educate potential investors about the District and the 2025 Series B Bonds with the goal of maximizing investor orders and reducing interest cost on the day of bond pricing.

(c) Official Statement. The Board hereby approves, and hereby deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the 2025 Series B Bonds in substantially the form on file with the Clerk of the Board. The President of the Board, the Secretary to the Board, the Superintendent of the District, the Associate Superintendent, Business Services of the District, including any interim officer, or such officer's written designee, or any other person authorized by resolution of the Board to act on behalf of the District with respect to this Resolution and the 2025 Series B Bonds (each, a "District Representative") is hereby authorized to execute an appropriate certificate stating the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. The Board hereby authorizes the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of their approval of any such changes and

additions. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(d) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the 2025 Series B Bonds, including but not limited to the execution and delivery of a document with respect to the engagement of the Paying Agent appointed herein, and an agreement facilitating the payment of costs of issuance. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any other District Representative.

SECTION 5. *Estimated Financing Costs.* The firm of Isom Advisors, a Division of Urban Futures, Inc., has been engaged to serve the District as Municipal Advisor, and the firm of Jones Hall, A Professional Law Corporation, has been engaged to serve the District as bond counsel and disclosure counsel, in connection with the Bond Measure and the issuance and sale of the 2025 Series B Bonds. The Underwriter has been engaged to serve as underwriter in connection with the issuance and sale of the 2025 Series B Bonds. The estimated costs of issuance associated with the issuance of the 2025 Series B Bonds are set forth in Appendix A.

SECTION 6. *Paying Agent.* The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as the initial Paying Agent for the 2025 Series B Bonds and, in such capacity, shall also act as registration agent and authentication agent for the 2025 Series B Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the 2025 Series B Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District an agreement to that effect, which a District Representative is hereby authorized and directed to execute.

SECTION 7. *Investments.* All moneys held in any of the funds or accounts established with the County Treasurer hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof.

The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution or a resolution of the County, or otherwise containing proceeds of the 2025 Series B Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes

binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Internal Revenue Code of 1986 as in effect on the date upon which there is a delivery of the 2025 Series B Bonds in exchange for the amount representing the purchase price of the 2025 Series B Bonds by the Underwriter (the "Closing Date") or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code (the "Tax Code") and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

SECTION 8. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the 2025 Series B Bonds on which the interest is intended to be excluded from gross income for federal income tax purposes under Section 103 of the Tax Code (the "Tax-Exempt 2025 Series B Bonds") are not so used as to cause the Tax-Exempt 2025 Series B Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt 2025 Series B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Tax-Exempt 2025 Series B Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Tax-Exempt 2025 Series B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt 2025 Series B Bonds from the gross income of the Owners of the Tax-Exempt 2025 Series B Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the 2025 Series B Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such

Section 148(f) is applicable to the 2025 Series B Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the 2025 Series B Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

SECTION 9. Security and Sources of Payment for the 2025 Series B Bonds.

The Board hereby directs the County to levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the principal of and interest on the 2025 Series B Bonds, in conformity with the terms of the 2025 Series B Bonds and of this Resolution. In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the 2025 Series B Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

The 2025 Series B Bonds are general obligations of the District. The Board has the power to direct the County to levy *ad valorem* taxes upon all property within the District that is subject to taxation by the District, without limitation as to rate or amount, for the payment of the 2025 Series B Bonds and the interest and redemption premium (if any) thereon. The District hereby formally directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the 2025 Series B Bonds are Outstanding in an amount not less than sufficient to pay the principal of and interest on the 2025 Series B Bonds when due, including the principal of any 2025 Series B Bonds upon the mandatory sinking fund redemption thereof, which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on 2025 Series B Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable on the 2025 Series B Bonds. In no event are the principal of and interest and redemption premium (if any) on 2025 Series B Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District. The 2025 Series B Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code. The District acknowledges that pursuant to Government Code Section 53515, the 2025 Series B Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the voter-approved *ad valorem* taxes for the 2025 Series B Bonds.

The District hereby pledges all revenues from the property taxes collected from the levy by the County for the payment of the 2025 Series B Bonds and the amounts in the Debt Service Fund (the "Pledged Revenues") to the payment of the principal of and interest on the 2025 Series B Bonds. It is the intention of the District that (i) for purposes of 11 U.S.C. §902(2)(E), the Pledged Revenues constitute "taxes specifically levied to

finance one or more projects or systems” of the District and are not “general property, sales or income taxes . . . levied to finance the general purposes of” the District, and (ii) the pledge of the Pledged Revenues constitutes a pledge of “special revenues” for purposes of 11 U.S.C. §§901 et seq., and that a petition filed by the District under 11 U.S.C. §§901 et seq., will not operate as a stay under 11 U.S.C. §362 of the application of such Pledged Revenues to payment when due of principal of and interest on the 2025 Series B Bonds. The District will not take any action inconsistent with its agreement and statement of intention hereunder and will not deny that the pledge of the Pledged Revenues constitutes a pledge of special revenues for purposes of 11 U.S.C. §§901 et seq.

SECTION 10. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the “Continuing Disclosure Certificate”), which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the 2025 Series B Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the 2025 Series B Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 11. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the 2025 Series B Bonds of the rights and benefits provided in this Resolution.

SECTION 12. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption

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The foregoing Resolution was adopted by the Board of Education of the City of Santa Rosa Elementary School District of Sonoma County, being the Board authorized by law to make the designations therein contained by the following vote, on May 14, 2025.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

President of the Board of Education

ATTEST:

Secretary to the Board of Education

APPENDIX A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE*

1. True Interest Cost of the 2025 Series B Bonds: 5.125497%
2. Finance charge of the 2025 Series B Bonds, being the sum of all fees and charges paid to third parties, consisting of costs of issuing the 2025 Series B Bonds in the amount of approximately \$200,000, plus estimated underwriter's compensation of \$90,000.
3. Proceeds of the 2025 Series B Bonds expected to be received by the District, net of proceeds for Costs of Issuance in (2) above to be paid from principal, capitalized interest and reserves (if any) from the principal amount of the 2025 Series B Bonds: \$29,710,000.
4. Total Payment Amount for the 2025 Series B Bonds, being the sum of all debt service to be paid on the 2025 Series B Bonds to final maturity: \$66,085,267.50.

**All amounts and percentages are estimates and are made in good faith by the District based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding interest rates available in the bond market and assume the issuance of 2025 Series B Bonds in a principal amount of \$30,000,000.*