

RESOLUTION #1718-17

**RESOLUTION OF THE BOARD OF EDUCATION OF THE SALIDA UNION SCHOOL
DISTRICT ORDERING A SCHOOL BOND ELECTION
ON NOVEMBER 6, 2018, AND
AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH**

WHEREAS, on April 17, 2018, the Board of Education ("Board") of the Salida Union School District ("District"), within the County of Stanislaus, California, approved Resolution #1718-12 ordering a bond election on November 8, 2016 which included the bond measure to be provided to the voters upon which to vote;

WHEREAS, there is reasonable belief that the legal requirements for bond measures will be amended imminently in a manner that is favorable to the District and the District desires to comply with such changes in the law and therefore rescind Resolution #1718-12 to be replaced by the terms hereof;

WHEREAS, the Board is authorized to order elections within the District and to designate the specifications thereof, pursuant to Sections 5304 and 5322 of the California Education Code ("Education Code");

WHEREAS, the District must repair, construct, acquire or equip classrooms, and facilities to make them safe and help ensure that all students have equal access to 21st century classrooms, labs and school facilities;

WHEREAS, because the State is not funding school facilities improvements and passing this bond measure provides a guaranteed source of local funding to maintain and improve this community's local school facilities;

WHEREAS, every penny from this bond measure will benefit local schools and no funds can be taken away by the State or other school districts, and by law, no money can be used for administrator salaries or pensions;

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to Section 15100 *et seq.* of the Education Code;

WHEREAS, pursuant to section 18 of Article XVI and section 1 of Article XIII A of the California Constitution (also known as "Proposition 39"), and Section 15266 of the Education Code, school districts may seek approval of general obligation bonds and levy an *ad valorem* tax to repay those bonds upon a fifty-five percent (55%) vote of those voting on a proposition for that purpose, provided certain accountability measures are included in the proposition;

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors to be approved by fifty-five percent (55%) of the votes cast;

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election or special election, or at a regularly scheduled local election, as required by Section 15266 of the Education Code, and on November 6, 2018, a general election is scheduled to occur throughout the District;

WHEREAS, the District intends to undertake a "tax rate extension" such that the tax rate levied to meet the debt service requirements on bonds issued pursuant to the bond measure, when taken together with the tax rate levied to pay bonds issued under the 1987 bond election, would not exceed approximately Thirty Dollars (\$30.00) per year per one hundred thousand dollars (\$100,000) of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution; the current estimated and projected tax rate is described in the Tax Rate Statement contained in **Exhibit C** hereto;

WHEREAS, Section 9400 *et seq.* of the California Elections Code requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election;

WHEREAS, in the judgment of the Board, it is advisable to request that the Stanislaus County Registrar of Voters ("County Registrar") act as the election official and call an election and submit to the registered voters of the District the full ballot proposition as detailed below, in coordination with each other as necessary;

WHEREAS, it is the recommendation of District staff that the District retain bond counsel and a financial advisor to assist the District with the process of calling a bond election and, if the bond election is successful, with the subsequent structuring and documenting of a bond issuance for the purposes set forth herein; and

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election.

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Education of the Salida Union School District as follows:

Section 1. Rescission of Resolution #1718-12. The Board hereby rescinds, in its entirety, Resolution #1718-12. Resolution #1718-12 shall be of no further force or effect as if it had never been adopted.

Section 2. Specifications of Election Order. Pursuant to Sections 5304, 5322, 15100 *et seq.*, and Section 15266 of the Education Code, an election shall be held within the District on November 6, 2018, for the purpose of submitting to the registered voters of the District the full ballot proposition contained in **Exhibit B** ("Full Ballot Text"), which Full Ballot Text is hereby approved. The County Registrar shall provide for the performance of its duties in accordance with Education Code section 5303.

Section 3. Abbreviation of Proposition. Pursuant to Section 13247 of the California Elections Code and Section 15122 of the Education Code, the Board hereby directs the County Registrar to use the abbreviation of the Full Ballot Text to be selected by the Superintendent of the District and filed herewith as **Exhibit A**.

Section 4. Voter Pamphlet. The County Registrar is hereby requested to reprint the Full Ballot Text in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. In the event the Full Ballot Text is not reprinted in the voter information pamphlet in its entirety, the County Registrar is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

"The above statement is an impartial analysis of Measure ____.
If you desire a copy of the measure, please call the Stanislaus
County Registrar of Voters at _____ and a copy will be
mailed at no cost to you."

Section 5. Accountability Measures. Pursuant to legal requirements, and as specified in the Full Ballot Text, the Board certifies that the District:

- (a) Has evaluated the facilities needs of the District and has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in the Full Ballot Text;
- (b) Will establish an independent Citizens' Bond Oversight Committee to ensure that bond proceeds are expended only for the school facilities projects described in the Bond Project List, in accordance with Education Code section 15278 et seq.;
- (c) Will conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List;
- (d) Will conduct or cause to be conducted an annual independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List; and
- (e) Shall take all actions to establish an account in which proceeds of the sale of the bonds will be deposited, and to cause a report to be filed with the Board no later than each January 1 identifying proceeds received and expended in the past fiscal year and the status of any project funded or to be funded with bond proceeds. The first report shall be due no later than January 1 of the first year after which bonds have been issued and proceeds spent.

Section 6. Required Vote. Pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least fifty-five percent (55%) of those voters voting on the proposition.

Section 7. Request to County Officers to Conduct Election/Cost of Election. The County Registrar is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications. The District will reimburse the Registrar and the County for costs associated with the election as required by law.

Section 8. Consolidation of Election and Canvass of Vote.

(a) Pursuant to Section 15266(a) of the Education Code, the election shall be consolidated with the election on November 6, 2018.

(b) The Board of Supervisors of Stanislaus County is authorized and requested to canvass the returns of the election, as necessary, pursuant to Section 10411 of the California Elections Code.

Section 9. Delivery of Order of Election to County Officers. The Clerk of the Board is hereby directed to deliver or cause to be delivered, no later than July 5, 2018, one copy of this Resolution to the County Registrar with the completed Tax Rate Statement (in substantially the form attached hereto as **Exhibit C**), completed and signed by the Superintendent or her designee, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of Stanislaus County.

Section 10. Ballot Arguments. The members of the Board are hereby authorized to prepare and file with the County Registrar a ballot argument in favor of the proposition contained in Section 2 hereof, within the time established by the County Registrar.

Section 11. Intention to Reimburse. The District may incur costs associated with bond-funded projects described in **Exhibit B** hereto prior to the issuance of bonds. For purposes of establishing compliance with the requirements of Section 1.150-2 of the regulations of the U.S. Treasury Department, the Board hereby declares its official intent to use proceeds of the bond to reimburse itself for lawful expenditures on bond capital projects, up to a maximum principal amount of \$250,000.

Section 12. Appointment of Financial Advisor. The firm of Dale Scott & Company, is hereby retained as financial advisor with respect to the bonds. The Superintendent, the Chief Business Officer, and their respective designees, and each of them individually, are hereby authorized to execute and deliver an agreement with such firm in the form of such agreement on file with the Secretary of the Board.

Section 13. Bond and Disclosure Counsel. The law firm of Dannis Woliver Kelley is hereby retained to provide pre-election services and, following passage of the bond measure, as bond and disclosure counsel to the District with respect to the bonds and related financings. The Superintendent, the Chief Business Officer, and their respective designees, and each of them individually, are hereby authorized to execute and deliver an agreement with such firm in the form of such agreement on file with the Secretary of the Board.

Section 14. Authorization of Further Acts. The members of this Board and the Superintendent (each, a "District Representative") are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including selection of a final Ballot Measure. This Resolution and all of its Exhibits that are filed with the County Registrar by a District Representative shall constitute the final, binding ballot measure of the District and such submitted measure shall be deemed ratified and approved by the Board.

Section 15. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, June 19, 2018, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

Clerk of the Board of Education of the
Salida Union School District

Attest:

Secretary of the Board of Education of the
Salida Union School District

EXHIBIT A

SUMMARY OF BALLOT MEASURE

[Option 1: If AB195 remains in place]

Without increasing current tax rates, shall Salida Union School District improve campus security and student safety by constructing secure school entrances, exits and fencing; renovate classrooms and schools; repair leaky plumbing; and replace and upgrade electrical wiring to meet current fire safety codes by issuing \$2.5 million in bonds with legal rates, an average tax levy of \$0.005 per \$100 of assessed valuation while the bonds are outstanding (averaging \$200,000/year), annual audits and independent taxpayer oversight?

Bonds—YES _____

Bonds – NO _____

[Option 2: If AB195 is suspended/not applicable]

Without increasing current tax rates, shall Salida Union School District improve campus security and student safety by constructing secure school entrances, exits and fencing; renovate classrooms and schools; repair leaky plumbing; and replace and upgrade electrical wiring to meet current fire safety codes by issuing \$2.5 million in bonds with legal rates, annual audits and independent taxpayer oversight so long as all funds are spent locally and not taken by the state and used elsewhere?

Bonds—YES _____

Bonds – NO _____

EXHIBIT B

SALIDA UNION SCHOOL DISTRICT BOND PROPOSITION FULL BALLOT TEXT

By approval of this measure by at least fifty-five percent (55%) of the registered voters voting thereon, the Salida Union School District shall be authorized to issue and sell bonds of up to \$2.5 million dollars in aggregate principal amount to provide financing for the specific school facilities projects listed below in the Bond Project List, subject to all of the accountability safeguards specified herein.

ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Section 15264 *et seq.* of the California Education Code).

Evaluation of Needs. The Board of Education has evaluated the facilities needs of the District, and has identified projects to finance from a local bond measure at this time. The Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Independent Citizens' Oversight Committee. The Board of Education shall establish an independent Citizens' Oversight Committee in accordance with Education Code sections 15278-15282 and applicable Board policy, to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within sixty (60) days of the date when the Board of Education enters the results of the election in its official minutes.

Annual Performance Audit. The Board of Education shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

Annual Financial Audit. The Board of Education shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

Annual Report to Board. Upon approval of this measure and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board of Education no later than January 1 of each year, commencing on the first January 1 after bonds have been issued and proceeds spent, stating (1) the amount of bond proceeds received and expended in the past fiscal year, and (2) the status of any project funded or to be funded from bond proceeds. The report may be incorporated into the annual budget, annual financial report, or other appropriate routine report to the Board.

BOND PROJECT LIST

This Bond Project List, which is an integral part of this proposition, describes the specific projects the District proposes to finance with proceeds of the bonds.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

In order to meet all identified facility needs, the District intends to complete projects using a combination of funding sources. These sources may include joint-use funds, development impact fees, state funds (if available), and other available funds. The District will pursue state matching funds if and when they become available, and if received, they will be used for and mainly applied to projects on the Bond Project List or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c). No project is dependent on the receipt of state funding for completion.

Projects listed below may be completed at any and all facilities where such project is determined necessary, and projects are authorized to be performed at each and all of the District's facilities, including without limitation:

I. REPAIR, REHABILITATION, CONSTRUCTION AND IMPROVEMENTS OF EDUCATIONAL FACILITIES

Bond proceeds will be expended to modernize, replace, renovate, construct, install, equip, furnish, and otherwise improve any or all of the following schools as well as educational and support facilities within the District:

- Sisk Elementary School
- Dena Boer Elementary School
- Salida Elementary School
- Salida Middle School-Vella Campus
- Mildred Perkins & Independence Charter School

Specific projects at these sites may include any or all of the following projects:

Facility Repair and Rehabilitation

- Repair and replace outdated portable classrooms
- Repair and replace and construct shade structures throughout the District
- Repair and replace old windows
- Replace leaky plumbing
- Update hazardous walk way conditions and repair and replace cracking and worn asphalt
- Improve energy efficiency including HVAC controllers

Health and Safety

- Roofing replacement and repair
- Parking lot reconfiguration for improved pick-up and drop-off safety
- Improvements in building security and communication systems including fencing to improve site access, supervision and security

- Site drainage

Modernization/Facility Upgrades

- Renovate and repair aging classrooms including paint, flooring, furniture and cabinetry
- Upgrades to libraries and multi-purpose rooms to provide for 21st Century learning environment
- Modernize electrical wiring and technology throughout the District
- Renovate and add additional student restrooms
- Repair and upgrade electrical wiring to meet current fire safety codes

ADDITIONAL SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

Other Terms of the Bonds. The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Education pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the average useful life of bonds sold will not exceed one hundred twenty percent (120%) of the average life of the projects being financed or as otherwise provided by federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.

EXHIBIT C
TAX RATE STATEMENT

An election will be held within the boundaries of Salida Union School District ("District") on November 6, 2018, to authorize the sale of up to \$2,500,000 in bonds to finance facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property located within the District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is \$0.005 per \$100 of assessed valuation. The final fiscal year in which the tax is anticipated to be collected is 2043-44.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$0.006 per \$100 of assessed valuation in fiscal year 2020-21.
3. The best estimate of total debt service, including principal and interest, which would be required to be repaid if all the bonds are issued and sold is \$4,823,858.

Voters should note that the estimated tax rate is based on the assessed value of taxable property on the County of Stanislaus official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates, debt service and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Signed: _____
Twila Tosh, Superintendent

Dated: _____, 2018