

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Board of Supervisors

BOARD AGENDA #: *A-2a

AGENDA DATE: July 12, 2016

SUBJECT:

Approval to Consolidate with the Presidential General Election to be Held on Tuesday, November 8, 2016, the General Obligation School Bond Election for the Newman-Crows Landing Unified School District

BOARD ACTION AS FOLLOWS:

No. 2016-352

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended


2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:


ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Board of Supervisors BOARD AGENDA #: *A-2a
Urgent Routine GAK AGENDA DATE: July 12, 2016
CEO CONCURRENCE: _____ 4/5 Vote Required: Yes No

SUBJECT:

Approval to Consolidate with the Presidential General Election to be Held on Tuesday, November 8, 2016, the General Obligation School Bond Election for the Newman-Crows Landing Unified School District

STAFF RECOMMENDATIONS:

1. Approve the consolidation of the General Obligation Bond Election for the Newman-Crows Landing Unified School District with the Presidential General Election to be held on Tuesday, November 8, 2016.

CONTACT PERSON:

Elizabeth A. King, Clerk of the Board

Phone number: 209-525-4494

RESOLUTION NO. 15-16/29

BOARD OF SUPERVISORS

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
NEWMAN-CROWS LANDING UNIFIED SCHOOL DISTRICT
ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE OF
SCHOOL BONDS, ESTABLISHING SPECIFICATIONS OF THE
ELECTION ORDER, AND REQUESTING CONSOLIDATION WITH
OTHER ELECTIONS OCCURRING ON NOVEMBER 8, 2016

2016 JUL -1 A 10:47

WHEREAS, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Article XIII A of the California Constitution to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

WHEREAS, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Strict Accountability Act"), became operative; and

WHEREAS, pursuant to Proposition 39 and the Strict Accountability Act, on November 4, 2008, a bond election was conducted within the boundaries of the Newman-Crows Landing Unified School District (the "District") on the question of authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$25,000,000 (the "Measure R Bonds"), and more than 55 percent of the voters voting on the proposition approved the passage of Measure R; and

WHEREAS, the District has previously issued two series of Measure R Bonds, being its Series A Bonds in the principal amount of \$9,997,928.85 and its Series B Bonds in the principal amount of \$3,907,486.65, leaving \$11,094,584.50 principal amount of Measure R Bonds which have been authorized but unissued by the District (the "Unissued Measure R Bonds"); and

WHEREAS, Section 15268 of the Strict Accountability Act requires that at the time of issuance of any series of Measure R Bonds, the District must project that the tax rate levied to pay debt service on such Measure R Bonds, together with debt service due on other series of Measure R Bonds which have previously been issued, will not exceed \$60 per year per \$100,000 of taxable property; and

WHEREAS, as a result of the general economic downturn commencing in 2008 and declines in the assessed valuations of property in the District since that time, the Board of Trustees (the "Board") of the District has determined that, due to the limitations imposed by the Strict Accountability Act, the District will not in the immediate future be able to make the tax rate projections required under the Strict Accountability Act and therefore is prevented from issuing all of the Unissued Measure R Bonds; and

WHEREAS, there is an urgent need to continue the renovation and construction of educational projects, the Board has determined to call an election to submit to the electors of the District the question whether a new issue of general obligation bonds of the District (the "Reauthorized Bonds"), in the principal amount of \$11,090,000, shall be

issued and sold for the purpose of raising money to complete educational projects for which the Measure R Bonds have been authorized and projects as further described in Appendix A, through the acquisition and improvement of real property and the furnishing, building and equipping of school facilities of the District, all pursuant to the provisions of Proposition 39 and the Strict Accountability Act; and

WHEREAS, in order to ensure that the issuance of the Reauthorized Bonds will not result in an increase in the total authorized District debt pursuant to Measure R, the Board has determined and shall covenant that prior to issuing any series of Reauthorized Bonds, the Board will take all actions which are required in order to cancel a like aggregate principal amount of Unissued Measure R Bonds; and

WHEREAS, the Board is authorized to pursue the authorization and issuance of the Reauthorized Bonds under Article XIII A by a 55 percent vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes; and

WHEREAS, under Section 10403 *et seq.* of the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 8, 2016, and to request the Stanislaus County Registrar of Voters to perform certain election services for the District;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE NEWMAN-CROWS LANDING UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the principal amount of \$11,090,000 (the "Reauthorized Bonds") for the purpose of raising money to finance school facilities and property of the District, and paying costs incident thereto, as set forth more fully in the ballot proposition approved under Section 3. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

Section 2. Election Date. The date of the election shall be November 8, 2016, and the election shall be held solely within the boundaries of the District.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a measure, a full copy of which is attached hereto as Appendix A and marked "Exhibit A – Ballot Measure – Full Text of Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF MEASURE" and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure. As required by Elections Code Section 13247 and Education Code Section 5322, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Exhibit B – Ballot Measure – Abbreviated Form." The Superintendent is hereby authorized and directed to make any changes to the text of the measure (full

text and/or abbreviated measure) as required to conform to any requirements of Article XIII A, the Act or the Stanislaus County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section I paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. School Facilities Projects. The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

Section 6. No Increase in District Debt; Cancellation of Unissued Measure R Bonds. The aggregate original principal amount of all of the Measure R Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, shall not exceed \$25,000,000, being the original authorized amount of the Measure R Bonds. To that end, the Board hereby covenants as follows:

- (a) prior to the issuance of any series of the Reauthorized Bonds, the Board shall adopt a resolution petitioning the Board of Supervisors of Stanislaus County to cause the Unissued Measure R Bonds to be canceled in a principal amount equal to the principal amount of such series of Reauthorized Bonds; and
- (b) under any circumstances, including but not limited to a failure or refusal by the County to cancel a portion of the Unissued Measure R Bonds, the Board shall not authorize the issuance of any Unissued Measure R Bonds or Reauthorized Bonds if such issuance would cause the aggregate original principal amount of all of the Measure R Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, to exceed \$25,000,000.

Section 7. Covenants of the Board upon Approval of the Reauthorized Bonds by the Electorate. As required by Article XIII A and Section 15278 of the Education Code, in the event 55 percent or more of the voters voting in the District approve of the Reauthorized Bonds, the Board shall:

- (a) Conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;
- (b) Conduct an annual, independent financial audit of the proceeds from the sale of the Reauthorized Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A; and

- (c) Establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Education Code.

Section 8. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to the Stanislaus County Registrar of Voters (the "County Registrar") and the Stanislaus County Clerk of the Board of Supervisors for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

Section 9. State Matching Funds. In accordance with Section 15122.5 of the Education Code, the following statement has been included on the Full Text of Measure set forth on Exhibit A, and shall appear as such on the ballot:

"Approval of this measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond proposition."

Section 10. Consolidation of Election; Request to Provide Services. The County Registrar and the Stanislaus County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2016, within the District. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Stanislaus County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Stanislaus County in full upon presentation of a bill, such services to include the publication of a formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

Section 11. Ballot Arguments; Tax Rate Statement. As provided in Elections Code Section 9501, any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. In addition, pursuant to Elections Code Section 9401, a tax rate statement must be prepared and filed with the County Registrar and included in the sample ballot. The President of the Board, the Superintendent, the Assistant Superintendent, Business Services, or any designee of the foregoing, are hereby authorized to finalize and execute a tax rate statement pursuant to Elections Code 9401, or any other document required with respect to the election, and to perform all acts necessary to place the bond measure on the ballot.

Section 12. Government Code Accountability Measures. As required by Section 53410 of the Government Code, the Board covenants to apply the Bond proceeds only to the specific purposes stated in the ballot proposition, cause creation of accounts into which bond proceeds shall be deposited, and cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411, the first report to be filed not later than one year after the issuance of the first series of the Bonds, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the Measure.

Section 13. Maturity Limit of Bonds. The Reauthorized Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature not more than the legal limits applicable to said bonds. The Reauthorized Bonds shall be issued under the Education Code, under the provisions of Section 53506 of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 14. Engagement of Professional Services. The firms of Dale Scott & Company, as financial advisor to the District, and the firm of Jones Hall, A Professional Law Corporation, as bond counsel to the District, are hereby engaged by the District in said roles in connection with the reauthorization proceedings and subsequent bond issuances, pursuant to the terms of the agreements on file with the Superintendent.

Section 15. Effective Date. This resolution shall take effect on and after its adoption.

* * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Newman-Crows Landing Unified School District of Stanislaus County, being the Board authorized by law to make the designations therein contained by the following vote, on June 27, 2016.

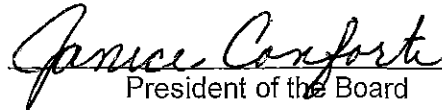
Adopted by the following votes: *[4 'yes' votes required for adoption]*

AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0



President of the Board

Attest:



Clerk/Secretary of the Board

APPENDIX A

FULL TEXT OF BOND MEASURE

INTRODUCTION

“To continue the job of repairing and improving our schools; replacing portables with permanent classrooms; and constructing new classrooms and facilities, shall \$11.090 million of Newman-Crows Landing Unified School District bonds, previously approved by voters in November 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates at or below legal limits, citizen oversight, annual audits, and all funds spent locally and not taken by the State and spent elsewhere?”

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$11.090 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Measure R at an election held in the District on November 4, 2008. However, the general economic downturn which commenced in 2008 has resulted in lower assessed valuations in the District, and, as a result, due to State law limitations imposed on the issuance of bonds under Measure R, the District estimates that it will be not be able to issue all of the remaining Measure R Bonds in the immediate future without incurring excessive borrowing costs. The Board of Trustees of the District has found and determined that there continues to be an urgent need in the District for the completion of educational projects. If the Bonds are approved and issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Measure R Bonds in a like amount.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be 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 Education Code Sections 15264 and following.)

Evaluation of Needs. The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. Following approval of this measure, the Board of Trustees will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

Performance Audits. The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Stanislaus County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

BOND PROJECT LIST

The District intends to complete the following projects, using a combination of funding sources. It is anticipated that bond proceeds will contribute \$11 million to said total cost. Other anticipated sources include state matching funds and other available funds.

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, equip, furnish and otherwise improve the following facilities of the District located at the high school, middle school, and elementary school sites and other District facilities. The specific school facilities projects which are described below include all related and incidental costs, including costs of design, engineering, architect and other professional services, site preparation, utilities, landscaping, incidental costs, and construction management (including construction management by District personnel). The District may alter any of the specific projects which are described below as required by conditions which arise during the course of design and construction.

The facilities and improvements to be financed by the bonds issued for the District include the modernization, replacement, renovation, construction, acquisition, equipping, furnishing, and other improvements to the facilities of the District including but not limited to:

BARRINGTON ELEMENTARY
BONITA ELEMENTARY
HUNT ELEMENTARY
VON RENNER ELEMENTARY
FOOTHILL COMMUNITY DAY SCHOOL
SUPPORT SERVICES CENTER
YOLO MIDDLE SCHOOL
ORESTIMBA HIGH SCHOOL
WESTSIDE VALLEY HIGH SCHOOL

School Facility Project List. Projects authorized by this measure shall include but shall not be limited to:

- Replace aging portable classrooms with new permanent classrooms
- Acquire and construct new classrooms to relieve student overcrowding at Barrington Elementary, Bonita Elementary, Yolo Middle School and other educational facilities
- Upgrade and expand athletic facilities at Orestimba High School
- Improve student safety by repairing and modernizing outdated electrical and plumbing systems and other aging infrastructure
- Repair deteriorating roofs

The scope and nature of any of the specific projects described above may be altered by the District as required by unforeseen conditions that may arise during the course of design and construction. In the event that a modernization or renovation project will result in higher costs than relocation and construction, this bond measure authorizes land acquisition, relocation and reconstruction, and all costs relating thereto, for said reasons or based on other considerations deemed in the best interest of the District by

the Governing Board. In addition, this measure authorizes the acquisition of real property required to expand or provide school facility projects at the listed sites.

Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with local funds generated by the bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects.

The order in which school facilities projects are listed in the Project List does not suggest an order of priority. Project priorities will be determined by the Governing Board. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

APPENDIX B

ABBREVIATED FORM OF BOND MEASURE*

“To continue the job of repairing and improving our schools; replacing portables with permanent classrooms; and constructing new classrooms and facilities, shall \$11.090 million of Newman-Crows Landing Unified School District bonds, previously approved by voters in November 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates at or below legal limits, citizen oversight, annual audits, and all funds spent locally and not taken by the State and spent elsewhere?”

Bonds—Yes

Bonds—No

**As required pursuant to Education Code Section 5322 and Elections Code Section 13247.*

Newman-Crows Landing Unified School District
Tax Rate Statement for
Bond Measure __ Election to be held November 8, 2016

An election will be held in Newman-Crows Landing Unified School District (the "District") on November 8, 2016 to authorize the sale of \$11,090,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.00000 per \$100 (\$0.00 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.02938 per \$100 (\$29.38 per \$100,000) of assessed valuation in fiscal year 2019-20.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$0.06000 per \$100 (\$60.00 per \$100,000) of assessed valuation.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$.04425 per \$100 (\$44.25 per \$100,000) of assessed valuation.
5. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$18,854,000.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: 6/27, 2016



Randy Fillpot
Superintendent
Newman-Crows Landing Unified School District