

RESOLUTION NO. 14-016

RESOLUTION OF THE BOARD OF EDUCATION OF SCOTTS VALLEY UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Education (the "Board") of the Scotts Valley Unified School District (the "District") is committed to improve the quality of education in Scotts Valley public schools by providing highly effective, high performing learning environments, by replacing the aging Scotts Valley Middle School, and by upgrading classrooms, science labs and computer systems to keep pace with learning technology; and

WHEREAS, the Board acknowledges that for our students to be prepared for college and career choices they must be skilled in the use of 21<sup>st</sup> Century technologies; and

WHEREAS, the Board further insists that each of the District's elementary school classrooms must be safe and, secure, and meet current State of California (the "State") earthquake safety standards; and

WHEREAS, the State is unable to provide the District with enough money for the District to adequately update its educational facilities; and

WHEREAS, the Board believes it is in the best interest of the District to address facility improvements now before they become more pressing and more costly; and

WHEREAS, to rebuild Scotts Valley Middle School and make all schools safe, the District must secure local funding that the State cannot take away; and

WHEREAS, the Board has received information regarding the feasibility of a local bond measure and the District's bonding capacity; and

WHEREAS, a local measure will help provide funds that cannot be taken away by the State to upgrade aging schools, protect student health and safety, and improve the quality of education; and

WHEREAS, such measure will include mandatory taxpayer protections, including an independent citizens' oversight committee and mandatory audits to ensure funds are spent as promised; and

WHEREAS, the Board and District has solicited stakeholder and community input on school priorities from parents, teachers, staff and the community; and

WHEREAS, Proposition 46, approved by the voters of the State on June 3, 1986 ("Proposition 46"), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision that exempts from the 1% of full cash value limitation, those *ad valorem* taxes used to pay for debt service on any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which reduced the voter threshold for *ad valorem* tax levies used to pay for debt service on bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the "Act") became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight that are contained in Proposition 39 and the Act; and

WHEREAS, the Board desires to authorize the submission of a proposition to the District's voters at an election to authorize the issuance of bonds to pay for certain necessary improvements and enhancements to District educational facilities; and

WHEREAS, the Board hereby determines that, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for inappropriate administrative salaries or other operating expenses of the District shall be enforced strictly by the District's Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

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

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

WHEREAS, pursuant to 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, June 3, 2014, and to request the Santa Cruz County Registrar of Voters to perform certain election services for the District;

NOW THEREFORE, THE BOARD OF EDUCATION OF THE SCOTTS VALLEY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Santa Cruz County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount of \$35,000,000 (the "Bonds") shall be issued and sold for the purpose of raising money for

the projects described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be June 3, 2014.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A," incorporated by reference herein, and containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot propositions in Exhibits "A" and "B" are subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall be used only for the purposes set forth in the ballot measure and not for any other purpose, including teacher or administrator salaries or other school operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit "B," evaluated the safety, class size reduction, computer and information technology needs of the District as well as the importance of the projects to student safety and achievement and high quality instruction;

(c) that the Board shall cause an annual, independent performance audit to be conducted to ensure that the Bond monies get spent only for the projects identified in Exhibit "B" hereto;

(d) that the Board shall cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board shall appoint a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limits per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 6. That the Santa Cruz County Registrar of Voters and the Santa Cruz County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 3, 2014 within the District.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Santa Cruz County Registrar of Voters no later than March 7, 2014.

Section 8. That any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to

Section 53506 of the Government Code shall have a maturity not exceeding forty (40) years. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by any body or official authorized by law to canvass such returns, and that the Board consents to such consolidation.

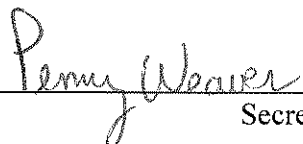
Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Santa Cruz County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Santa Cruz County, 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) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 25<sup>th</sup> day of February, 2014.

BOARD OF EDUCATION OF THE SCOTTS  
VALLEY UNIFIED SCHOOL DISTRICT

By   
President

Attest:

  
Secretary

STATE OF CALIFORNIA     )  
  )ss  
SANTA CRUZ COUNTY     )

I, Penny Weaver, do hereby certify that the foregoing is a true and correct copy of Resolution No. 14-016, which was duly adopted by the Board of Education of the Scotts Valley Unified School District at the meeting thereof held on the 25<sup>th</sup> day of February, 2014, and that it was so adopted by the following vote:

AYES: 5

NOES: 0

ABSENT: None

ABSTENTIONS: None

By Penny Weaver  
Secretary

## EXHIBIT A

“To replace the 70-year old Middle School with a new school, with up-to-date computer/learning technology, science labs, code-compliant/energy-efficient electrical, plumbing, heating/cooling systems; upgrade, construct, acquire classrooms, schools, facilities, sites/equipment that meet accessibility requirements; make needed seismic repairs at elementary schools, and qualify for State matching funds, shall Scotts Valley Unified School District issue \$35,000,000 in bonds, at legal rates, with independent oversight, no funds for administrators, all funds staying local?”

Bonds – Yes

Bonds – No

## EXHIBIT B

### FULL TEXT BALLOT PROPOSITION OF THE SCOTTS VALLEY UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 3, 2014

The following is the full proposition presented to the voters by the Scotts Valley Unified School District.

“To replace the 70-year old Middle School with a new school, with up-to-date computer/learning technology, science labs, code-complaint/energy-efficient electrical, plumbing, heating/cooling systems; upgrade, construct, acquire classrooms, schools, facilities, sites/equipment that meet accessibility requirements; make needed seismic repairs at elementary schools, and qualify for State matching funds, shall Scotts Valley Unified School District issue \$35,000,000 in bonds, at legal rates, with independent oversight, no funds for administrators, all funds staying local?”

### PROJECT LIST

The Board of Education of the Scotts Valley Unified School District is committed to improve the quality of education by providing students and teachers with safe and secure facilities with up-to-date technology infrastructure needed to prepare students for 21<sup>st</sup> Century academic standards and jobs. To that end, the Board evaluated the District's urgent and critical facility needs, including safety issues, safe learning environments, class size reduction, computer and information technology, and prepared a Strategic Plan 2013-14, approved by the Board on June 25, 2013, which is incorporated herein in its entirety, to develop the scope of projects to be funded. The District conducted a facilities evaluation and received public input in developing this Project List. Teachers, staff, community members and the Board have prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board concluded that if these needs are not addressed now, the problems will only become more pressing and expensive to address. **Therefore, in approving this Project List, the Board of Education determines that the District MUST:**

- (i) **Replace Scotts Valley Middle School with a new, safe, healthy learning environment with up-to-date computer/learning technology, science labs and classrooms that meet 21<sup>st</sup> Century learning standards, and which are accessible to students and teachers with disabilities.**
- (ii) **Improve the earthquake and fire safety of both elementary schools so that they meet current State safety standards.**
- (iii) **At the Middle School, replace 1950's era science labs with modern labs and up-to-date science equipment.**
- (iv) **Upgrade technology infrastructure.**
- (v) **Adhere to specific fiscal accountability safeguards such as:**
  - (a) **Prohibit the State from taking any of the funds raised.**
  - (b) **All expenditures will be subject to annual independent financial audits.**
  - (c) **No funds will be used for administrators' salaries and/or pensions.**
  - (d) **All funds will stay in the District and be subject to local control.**
  - (e) **An independent Citizens' Oversight Committee will be appointed to ensure that all funds are spent only as authorized.**

The Project List includes the following types of upgrades and improvements:

### **Construct New Scotts Valley Middle School**

**Goal and Purpose:** To provide local funds which cannot be taken away by the State, and which would make the District eligible for State matching funds, Scotts Valley Middle School would benefit from the construction of new accessibility code compliant facilities, such as:

- Build new, asbestos and dry-rot free, classrooms and earthquake safe classroom buildings.
- Provide library, gym, art and music rooms.
- Provide up-to-date electrical systems which will support 21<sup>st</sup> Century learning technology.
- Provide new multi-purpose/assembly rooms, educational support facilities, and properly working bathrooms.
- Provide updated science labs.
- Install up-to-date fire and security alarm systems so students are safe.
- Satisfy accessibility upgrades as mandated by the Division of the State Architect (DSA) so that classrooms are accessible to students and teachers with disabilities.
- Provide safer student drop-off and pick-up zones.
- Provide energy-efficient heating, ventilation and air conditioning systems which will save money on utility bills.

### **Elementary School Safety Projects**

**Goal and Purpose:** Since good, safe and up-to-date schools help protect and improve local property values and, improve the quality of teaching, the District's two elementary schools and school sites will benefit from earthquake and fire safety projects, such as:

- Improve the **earthquake safety** of school buildings.
- Ensure that school buildings meet current State earthquake and fire safety standards.
- Upgrade schools to meet handicap accessibility requirements, as required.

### **District-Wide Instructional Technology and Infrastructure Projects To Standardize Learning Spaces for 21<sup>st</sup> Century Skills**

**Goal and Purpose:** To the extent there are surplus funds after the Middle School and earthquake safety projects are approved, since there are many classrooms in Scotts Valley schools that are old, school electrical systems need to be upgraded so that Scotts Valley schools can offer 21<sup>st</sup> Century learning technology and computer science to students:

- Upgrade and expand wireless systems, telecommunications, Internet and network connections, and technology infrastructure.



- **Upgrade and repair aging school electrical systems so that schools can have modern computers and learning technology.**

\* \* \*

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by bond projects. The construction of school facilities may include upgrading school site parking, campus accessibility, roadways, entrances and exits, utilities, irrigation systems, grounds, playground equipment, hard court surfaces, concrete, asphalt and brick surfaces, shade structures for student assembly and protecting students from inclement weather during lunch, and District support facilities; installing enhanced signage and fire sensors; improving restrooms and drinking fountains; upgrading heating, ventilation and air conditioning systems, athletic facilities, gyms, and play fields for safety and operational efficiency; painting interior and exterior building surfaces to extend their useful life; installing security, safety and communication systems and equipment; and replacing portable classrooms. The upgrading of technology infrastructure includes, but is not limited to servers, switches, routers, modules, smart boards, sound projection systems, printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, and other miscellaneous technology equipment. The Project List also includes the refinancing of any outstanding lease obligations, or the bridge loans taken to initiate voter approved projects; the financing/refinancing of real property acquisition and improvements; and acquiring land, making site improvements, building infrastructure and/or constructing additional facilities thereon, for the purpose of expanding instructional programs to meet future educational demands. The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF EDUCATION WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

No Administrator Salaries: Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher and school administrator salaries and other operating expenses.