



Local ballot measure: S – SLVUSD School Bond

S

San Lorenzo Valley Unified School District bond

Ballot question

To improve the quality of local schools; repair or replace roofs; construct Science/Engineering and Career Technical Education facilities; and make health and safety improvements; shall San Lorenzo Valley Unified School District’s measure be adopted authorizing \$75,000,000 in bonds at legal interest rates, generating approximately \$4.3 million annually while bonds are outstanding with levies of approximately 6 cents per \$100 assessed value, with annual audits, citizens’ oversight, no money for salaries and all money for local projects?

Pregunta de Boleta

Para mejorar la calidad de las escuelas locales, reparar o reemplazar techos, construir instalaciones de Ciencia/Ingeniería y Educación Técnica Profesional, y hacer mejoras de salud y seguridad, ¿deberá adoptarse la medida del Distrito Escolar Unificado del Valle de San Lorenzo de autorizar \$75,000,000 en bonos a tasas de interés legales, generando aproximadamente \$4.3 millones anualmente, mientras que los bonos están pendientes con gravámenes de aproximadamente 6 centavos por cada valor tasado de \$100, con auditorías anuales, supervisión ciudadana, sin dinero para salarios y todo el dinero para proyectos locales?

What your vote means

YES	NO
A "Yes" vote is a vote to authorize the issuance of bonds in the amount of \$75,000,000 to be financed by the levy of <i>ad valorem</i> taxes on property in the District.	A "No" vote is a vote against the issuance of the proposed bonds.

For and against Measure S

FOR	AGAINST
<p>Les Gardner Businessman</p> <p>Nancy B. Macy Community Member/Volunteer</p> <p>Judith L. Anderson Community Member/Volunteer</p> <p>George Wylie SLVUSD Board President</p>	<p>John Patrick O’Reilly</p> <p>Etta L. Kinney</p> <p>Mark D. Lee</p>

Arguments and rebuttals are the opinions of the authors. We print them exactly as submitted, including errors.



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Argument for Measure S	Rebuttal to Argument for Measure S
<p>San Lorenzo Valley Unified School District</p> <p>Our local schools are the most important assets in our community and should be our number one priority. Quality schools improve student achievement, increase property values, prepare our children for a successful future, and enhance neighborhood safety. While our facilities have been well maintained and our teachers and staff do an exceptional job educating local children, many classrooms and buildings in the San Lorenzo Valley Unified School District need upgrading and repairs in order to provide students with the modern school facilities they need to succeed.</p> <p>A local school improvement measure would result in improvements to both the quality of local school facilities and the quality of education provided to local children. By investing in our schools, we can achieve tomorrow's safety, technological, and educational standards, while improving student outcomes and strengthening our local community.</p> <p>If passed, Measure S will provide funding to make critical facility improvements to San Lorenzo Valley schools, including:</p> <ul style="list-style-type: none"> • Repairing or replacing leaky roofs • Constructing Science/Engineering and Career Education facilities • Making energy-efficiency improvements to reduce utility costs, including installing solar panels • Updating inadequate electrical systems; and • Modernizing/renovating outdated classrooms, restrooms and school facilities <p>Measure S makes financial sense and protects taxpayers.</p> <ul style="list-style-type: none"> • By law, spending must be reviewed and annually audited by an independent citizens' oversight committee. • All bond funds must be spent locally and cannot be taken by the State. • By law, funds are required to be spent only on our local school facilities, not for administrator or teacher salaries. <p>Measure S upgrades and renovates classrooms and other school facilities, improves the education of local children, and improves the quality of our community. That's something we can all support. Please VOTE YES ON MEASURE S!</p> <p>Les Gardner Businessman</p> <p>Nancy B. Macy Community Member/Volunteer</p> <p>Judith L. Anderson Community Member/Volunteer</p> <p>George Wylie SLVUSD Board President</p>	<ul style="list-style-type: none"> • PROPERTY TAXPAYERS should be aware, that MEASURE S raises \$75 million but cost approximately \$150.5 million in property tax increases over 35 years, and makes no financial sense. The so called "independent" oversight committee does not protect San Lorenzo Valley Unified School District taxpayers. Auditors hired by the board of trustees and the oversight committee will have no independent authority. • MEASURE S demands the absolute maximum of \$60 per \$100,000 of assessed value. This is the limit within the State of California for a K-12. • MEASURE S provides a vague Project List. Costs for these facility improvement projects are ill-defined. Measure S doesn't guarantee which facility improvements and repairs will be completed or in what order. • MEASURE S doesn't clearly state in the ballot text the actual number of years the \$150.5 million debt will be imposed on the San Lorenzo Valley property taxpayers. • MEASURE S is misleading. It lacks details. Voters need this information to make an informed choice. • MEASURE S imposes a debt burden of \$150.5 million on all property owners. Two existing bond measures were passed to repair, upgrade and construct new buildings. Examples are the Library and Performing Arts Center in 2008. The District wishes to draw down \$4.3 million per year. These expenses should be funded from the approximately \$100 million plus annual revenue stream. Student enrollment at San Lorenzo Valley Unified School District has been declining in recent years. • MEASURE S adds a significant property tax burden, layered on top of all the other special district taxes and other County charges. It increases the cost of living in San Lorenzo Valley during uncertain economic times. <p style="text-align: center;">Vote No on MEASURE S</p> <p>John Patrick O'Reilly</p> <p>Gordon Stewart, Jr.</p> <p>Dennis Tracy</p> <p>Etta L. Kinney</p> <p>Mark D. Lee</p>

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Argument Against Measure S	Rebuttal to Argument Against Measure S
<p>(1.) The \$75 million dollar Measure S Bond resolution was approved to be placed on the March 2020 election ballot by 4 out of 5 members of the San Lorenzo Unified School District Board of Trustees on November 20th 2019 without sufficient open public discussion for a bond measure of this magnitude.</p> <p>(2.) Bond Measure S will cost 6 cents in taxes per \$100 dollars of assessed property value or \$60 per \$100,000. For a house valued at \$500,000 dollars the property tax bill will increase by \$300 dollars. This is in addition to the previous annual \$193 tax from SLVUSD Bond Measure 2000 and \$133 taxes for SLVUSD Bond Measure 2008, adds up to \$626 dollars per year being assessed on your property tax bill for San Lorenzo residents in 2020 and beyond. Also keep in mind these tax assessments increase approximately 2% per year when re-assessed by the Santa Cruz County Tax Assessor every year.</p> <p>(3.) Financing this Bond will cost approximately \$155.5 million over the 30 year life of the Bond. Thus, home owners in the SLVUSD district in San Lorenzo Valley will end up paying \$80.5 million in additional property taxes for the \$75 million Bond Measure S.</p> <p>(4.) San Lorenzo Valley District voters need to review the SLVUSD's existing approved 2019-2020 and forecasted 2020-2021 and 2021-2022 school district budgets which indicate healthy revenues averaging from \$109 million to \$120 million dollars annually.</p> <p>(5.) After completing your own research on Ballot Measure S I think you would agree to Vote No on Measure S because this additional property tax is too expensive and nearly doubles your current San Lorenzo Valley Unified School District bond measures.</p>	<p>Measure S funds will go right where they're needed - to improve classrooms and facilities in support of our San Lorenzo Valley Unified students.</p> <p>Don't be misled by the argument against Measure S. It does not have the facts. Measure S is a carefully considered, affordable plan that will allow the District to continue providing a quality education and the best learning environment for students.</p> <p>The facts:</p> <ul style="list-style-type: none"> • No other source of funding exists to renovate/modernize our schools. • The argument against Measure S falsely quotes the District's budget as between "\$109 million to \$120 million dollars annually." This is incorrect. The actual revenues for the District are \$27 million annually to operate all facets of the school district. • Measure S is locally controlled and every dollar stays here, benefitting local schools, children, and property values. • Much was done with the passage of Measure O in 2008, but that was 12 years ago. Our buildings continue to age and our work is not yet done. Measure S will help bring all schools up to 21st century standards. The longer we wait, the more expensive these improvements will become. • By law, Measure S requires annual audits and an independent citizens oversight committee to review all expenditures. <p>To protect excellent local schools and ensure students have safe and up-to-date classrooms, vote YES on S. Measure S is the only solution for our schools.</p>
<p style="text-align: center;">VOTE NO on MEASURE S</p> <p>John Patrick O'Reilly</p> <p>Etta L. Kinney</p> <p>Mark D. Lee</p>	<p>Many of our most respected community members support Measure S. Join us - vote YES on Measure S.</p> <p>Douglas Morris SLVHS Teacher</p> <p>Mike Verutti Businessman</p> <p>Beth Hollenbeck Educator</p> <p>Cameron Haste Community Member</p> <p>Coco Raner-Walter Community Member</p>



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Impartial Analysis of Measure S

Jason Heath, County Counsel

By: Ruby Márquez, Assistant County Counsel

Under the California Constitution, school districts may issue bonds if approved by at least 55 percent of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. They are repaid by the levy of an *ad valorem* tax, which is calculated based on the current assessed value of each property.

The Board of Trustees of the San Lorenzo Valley Unified School District (“the School District”) proposes the sale of bonds in the amount not to exceed \$75.0 million dollars. The School District anticipates that these bonds would generate approximately \$4.3 million annually.

As limited by law, the funds from the sale of these bonds shall only be used for specific purposes related to school site facilities, buildings, and classrooms. The law does not allow these funds to be used for teacher and administrator salaries or other school operational expenses.

The School District has submitted a Bond Project List within the full body of the measure. The types of projects funded may include, but are not limited to:

- Constructing Science/Engineering and Career Education facilities;
- Repairing or replacing roofs, deteriorating plumbing and sewer systems, outdated heating, ventilation, and air conditioning systems, etc.;
- Upgrading school safety and security features, such as fire alarms, sprinkler systems, school communication & surveillance systems, security cameras, lighting, fencing;
- Improving student access to computers and technology equipment; and/or
- Renovating, expanding, or upgrading the interior of classrooms, P.E. fields and playgrounds, and exterior school grounds.

As required by law, the School District must follow certain accountability provisions to oversee the funds collected and expended, including the establishment of an Independent Citizens’ Oversight Committee and the annual completion of Performance and Financial Audits.

At the time of filing, the School District provided the best estimate of the highest tax rate to be levied at approximately \$60.00 per \$100,000 of assessed property value per year. It is anticipated that the average annual tax would be collected through fiscal year 2054-55.

Measure S was placed on the ballot by the School District.

A “yes” vote on Measure S is a vote to authorize the issuance of bonds in the amount of \$75,000,000 to be financed by the levy of *ad valorem* taxes on property in the District.

A “no” vote on Measure S is a vote against the issuance of the proposed bonds.

Tax Rate Statement Measure S

Dr. Laurie Bruton, Superintendent

San Lorenzo Valley Unified School District

**\$75.0 MILLION
SAN LORENZO VALLEY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS**

An election will be held in the San Lorenzo Valley Unified School District (the “District”) on March 3, 2020, to authorize the sale of up to \$75.0 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.



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Based upon the foregoing and projections of the District's assessed valuation, the following information is provided:

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 a projection of assessed valuations available at the time of filing of this statement, is \$0.552 per \$100 of assessed valuation (or \$55.18 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 2054-55.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.06 per \$100 of assessed valuation (or \$60.00 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2020-21 and following.
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$150,500,000.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations 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.

Full text of Measure S

INTRODUCTION

To improve the quality of local schools; repair or replace roofs; construct Science/Engineering and Career Technical Education facilities; and make health and safety improvements; shall San Lorenzo Valley Unified School District's measure be adopted authorizing \$75,000,000 in bonds at legal interest rates, generating approximately \$4.3 million annually while bonds are outstanding with levies of approximately 6 cents per \$100 assessed value, with annual audits, citizens' oversight, no money for salaries and all money for local projects?

BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the San Lorenzo Valley Unified School District will be authorized to issue and sell bonds of up to \$75.0 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

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



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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 Santa Cruz 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.

INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT

This measure authorizes the issuance of general obligation bonds to finance the types of projects set forth on the Bond Project List set forth below, to be repaid by tax collections for the years that bonds are outstanding. The measure presented to District voters on the Ballot, as set forth above under the heading "INTRODUCTION", includes information regarding the expected average amount of money to be raised annually to pay issued bonds, the estimated rate of the approved tax per \$100 of assessed valuation, and the year through which it is approximated the proposed tax will be levied and collected. Each of these estimates and approximations are provided as informational only. Such amounts are estimates only, and are not maximum amounts or limitations on the terms of the bonds or the tax rate or duration supporting repayment of bonds. The approximations and estimates provided depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations have been provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended on the construction, reconstruction, rehabilitation, or replacement of school facilities of the San Lorenzo Valley Unified School District, including furnishing and equipping, and the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries or other school operating expenses, in compliance with California Constitution Article XIII A, Section 1(b)(3). This measure authorizes bond projects to be undertaken at all current and future District sites.

School Facility Project List. The items presented on the following list provide the types of projects authorized to be financed with voter-approved bond proceeds. Specific examples included on this list are not intended to limit the types of projects described on this list and authorized by this measure. The types of projects authorized are:



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- Repair or replace roofs
- Construct Science/Engineering and Career Education facilities
- Make energy-efficiency improvements to reduce utility costs, including installing solar panels
- Replace inadequate wiring and electrical systems to meet current electrical and accessibility codes, increase capacity, and relieve currently overloaded electrical systems.
- Make health and safety improvements, such as replacing aging building materials, including removal of hazardous materials identified either prior to or during construction including asbestos, and seismic reinforcements
- Make improvements to school safety and security, including fire alarms, sprinkler systems, school communication systems, security cameras, surveillance systems, lighting and fencing
- Repair or replace deteriorating plumbing and sewer systems
- Repair or replace outdated heating, ventilation and air-conditioning systems or install HVAC units at sites that currently do not have them
- Improve student access to computers and modern technology, including providing all necessary infrastructure, hardware, software, computers, devices and other modern instructional equipment
- Modernize/renovate outdated classrooms, restrooms and school facilities to meet 21st century educational standards, including providing updated furnishings and other equipment to facilitate a modern learning environment
- Upgrade/improve P.E. fields, playgrounds, play structures and similar facilities for school and community use
- Upgrade, expand, construct, repair and/or equip school facilities, including library/media centers, labs, multipurpose rooms, and other school facilities.
- Renovate, repair, expand and/or upgrade the interior and/or exterior of existing outdated classrooms, restrooms and school facilities
- Modernize outdated classroom interiors including, but not limited to, new paint, carpet/vinyl, white marker boards, tackable surface and increased secure storage capacity for instructional materials and equipment
- Complete Federal and State-mandated Occupational Safety & Health Administration (OSHA) safety upgrades, including playground equipment replacement
- Ensure and upgrade handicapped accessibility to District facilities, including to meet all federal and state-mandated Americans with Disabilities Act (ADA) accessibility to schools, and as mandated by the Division of the State Architect (DSA), including upgrades to site access, parking, staff and student restrooms, relocation of certain existing electrical devices, drinking fountains, playground equipment, and other necessary improvements.
- Upgrade, repair and/or expand school site parking, roadways, grounds and other infrastructure such as utility systems, including installing exterior lighting, repairing pathways, walkways, ADA access ramps and related landscaping

Each of the bond projects described in this Bond Project List include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary



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improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

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 is more economical for the District to be undertaken as new construction, this bond measure authorizes land acquisition, relocation and construction and/or reconstruction, and all costs relating thereto, for said reason or, alternatively, 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, including necessary rights of ways or other real property interests, required to expand District facilities, or to provide access to school or other District facilities. In addition, authorized projects include reimbursements for paid project costs and paying and/or prepaying interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes, and including payment and prepayment of lease payments relating to projects and/or equipment previously financed, such as certificates of participation.

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