

RESOLUTION NO. 2015/16-37

RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA BARBARA UNIFIED SCHOOL DISTRICT ACTING AS THE LEGISLATIVE BODY OF THE SANTA BARBARA UNIFIED SCHOOL DISTRICT ELEMENTARY SCHOOLS FACILITIES IMPROVEMENT DISTRICT NO. 1 ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Education of the Santa Barbara Unified School District (the "Board") has determined that local neighborhood elementary schools and facilities within the Santa Barbara Unified School District Elementary Schools Facilities Improvement District No. 1 (the "Improvement District"), need to be acquired, constructed, improved, and equipped in a fiscally prudent manner to enable Santa Barbara Unified School District (the "District") to enhance the educational opportunities of its elementary students; and

WHEREAS, the Board believes that, in order to provide safe and healthy learning environments for students, and to support local students, basic upgrades to our elementary schools are needed, including repairing or replacing deteriorating portable classrooms, repairing leaky roofs, maintaining adequate libraries, and updating technology;

WHEREAS, the State of California (the "State") is not providing the District with enough funding for the District to adequately maintain its elementary school facilities and programs; and

WHEREAS, the Board has concluded that the District's only remedy to avoid undermining its educational programs is to secure local funding that the State cannot take away; and

WHEREAS, the Board has received information regarding the possibility of a local bond measure and its bonding capacity; and

WHEREAS, a local measure will help provide funds that cannot be taken away by the State to upgrade aging local elementary schools, support local students, and help the District to qualify for State matching funds; and

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

WHEREAS, Chapter 3, Part 10, Division 1, Title 1 (commencing with Section 15300) of the Education Code (the "Act") provides that the District on behalf of the Improvement District may call an election for the purpose of seeking voter approval for the issuance of general obligation bonds by the Improvement District; and

WHEREAS, the Santa Barbara County Board of Supervisors has adopted a resolution causing the provisions of the Act to be applicable as to the District; 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 or 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 Improvement District's voters at an election to authorize the issuance of bonds to pay for certain necessary improvements and enhancements to local District elementary 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 monitored 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, Elections Code Section 9400 *et seq.* 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 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 Santa Barbara County Registrar of Voters to perform certain election services for the District;

NOW THEREFORE, THE BOARD OF EDUCATION OF THE SANTA BARBARA UNIFIED SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF THE SANTA BARBARA UNIFIED SCHOOL DISTRICT ELEMENTARY SCHOOLS FACILITIES IMPROVEMENT DISTRICT, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.* (including Sections 15300 *et seq.*), 15264 *et seq.*, and Government Code Section 53506, hereby requests the Santa Barbara County Registrar of Voters to conduct an election under the provisions of the Proposition 39 and the Act and submit to the electors of the Improvement District the question of whether bonds of the Improvement District in the aggregate principal amount of \$58,000,000 (the "Bonds") shall be issued and sold for the purpose of raising money for the purposes described in Exhibit A hereto.

Section 2. That the date of the election shall be November 8, 2016.

Section 3. That the purpose of the election shall be for the voters in the Improvement 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 on behalf of the Improvement District to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot propositions in Exhibit "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 pensions or other school operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit "B", evaluated the importance of attracting and retaining quality teachers, maintaining libraries at each elementary school, safety, class size reduction, and classroom, educational, and information technology needs of elementary schools within the District;

(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 will cause the appointment of 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. The Citizens' Oversight Committee shall consist of at least seven (7) members and at no time consist of less than seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies. The Citizens' Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens' Oversight Committee shall include all of the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens' organization; One (1) member who is active in a bona fide taxpayer association; One (1) member who is a parent of a child in the District schools; One (1) member is both a parent of a child in the District schools and active in a school site council or PTA. In furtherance of its specifically enumerated purposes, the Citizens' Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

(i) Inspect District facilities and grounds to ensure that Proposition 39 bond proceeds are expended in compliance with applicable law;

(ii) Receive and review copies of all deferred maintenance proposals or plans developed by the District;

(iii) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs;

(iv) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);

(v) Receive from the Board, within three months of the District receiving the above-described audits, responses to any and all findings, recommendations, and concerns addressed in said audits, and review said responses; 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 Improvement 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 Barbara County Registrar of Voters and the Santa Barbara 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 Improvement District. Pursuant to Elections Code Section 10403 the Board acknowledges that the consolidation election will be held and conducted in the manner prescribed in Elections Code Section 10408.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Santa Barbara County Registrar of Voters no later than June 29, 2016.

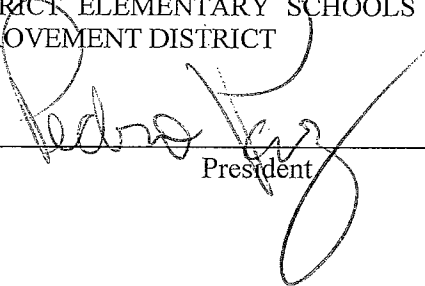
Section 8. That any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto or pursuant to Government Code Section 53506. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code 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 anybody or official authorized by law to canvass such returns, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Santa Barbara County Registrar of Voters by the established deadlines.


Section 10. Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Board of Supervisors of Santa Barbara County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election, for which services the District agrees to reimburse Santa Barbara 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 Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.

ADOPTED, SIGNED AND APPROVED this 14th day of June, 2016.

BOARD OF EDUCATION OF THE SANTA
BARBARA UNIFIED SCHOOL DISTRICT ACTING
AS THE LEGISLATIVE BODY OF
THE SANTA BARBARA UNIFIED SCHOOL
DISTRICT ELEMENTARY SCHOOLS FACILITIES
IMPROVEMENT DISTRICT

By  _____
President

Attest:



Secretary

STATE OF CALIFORNIA)
)ss
SANTA BARBARA COUNTY)

I, Dr. David Cash, do hereby certify that the foregoing is a true and correct copy of Resolution No. ~~15110-37~~ which was duly adopted by the Board of Education of the Santa Barbara Unified School District at the meeting thereof held on the 14th day of June, 2016, and that it was so adopted by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

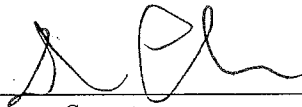
By  _____
Secretary

EXHIBIT A

“SANTA BARBARA ELEMENTARY SCHOOLS REPAIR MEASURE: To repair/upgrade local Santa Barbara elementary schools and support students by repairing/replacing deteriorating classrooms, libraries, restrooms, plumbing, leaky roofs, portables, removing asbestos/ lead paint, ensuring safe drinking water, updating classroom technology/ science labs, acquiring, constructing classrooms/facilities/equipment, shall Santa Barbara Unified School District issue \$58,000,000 in bonds at legal rates, requiring audits/citizen oversight, all funds for local Santa Barbara elementary schools?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE SANTA BARBARA UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 8, 2016

The following is the full proposition presented to the voters by the Santa Barbara Unified School District.

“SANTA BARBARA ELEMENTARY SCHOOLS REPAIR MEASURE: To repair/upgrade local Santa Barbara elementary schools and support local students by repairing/replacing deteriorating classrooms, libraries, restrooms, plumbing, leaky roofs, portables, removing asbestos/lead paint, ensuring safe drinking water, updating classroom technology/ science labs, acquiring, constructing classrooms/facilities/equipment, shall Santa Barbara Unified School District issue \$58,000,000 in bonds at legal rates, requiring audits/citizen oversight, all funds for local Santa Barbara elementary schools?”

PROJECT LIST

The Board of Education of the Santa Barbara Unified School District is committed to providing a modern learning environment in local elementary schools with safe, secure and upgraded classrooms which both support local students and keep pace with 21st Century technologies and learning standards. To that end, in developing the scope of projects to be funded, the Board evaluated the District’s urgent and critical facility needs, including safety issues, class size, and computer and information technology, and also prepared a Facility Master Plan (June 2015) which is incorporated herein in its entirety. The District conducted a facilities evaluation and received public input in developing this Project List. Teachers, staff, community members and the Board have prioritized key health and safety projects so that the most critical facility needs are addressed. **Therefore, in approving this Project List, the Board of Education determines that the District must:**

- (i) **Maintain adequate libraries at all elementary schools;**
- (ii) **Upgrade deteriorating school elementary school facilities, including classrooms, restrooms, leaky roofs, drinking water and plumbing systems so children can learn in safe and healthy classrooms;**
- (iii) **Provide up-to-date, 21st Century classrooms and instructional technology in order to support local students;**
- (iv) **Adhere to specific fiscal accountability safeguards such as:**
 - (a) **All funds must be spent locally on Santa Barbara elementary schools, and no funds will be spent on administrators’ salaries or pensions.**
 - (b) **An independent citizens’ oversight committee must be appointed to ensure that all funds are spent only as authorized.**
 - (c) **All expenditures must be subject to annual independent financial and performance audits.**

The Project List includes the following types of upgrades and improvements at District schools and sites:

IMPROVE STUDENT LEARNING:

Basic Repair Projects That Support Local Students

Goal and Purpose: Since our local elementary classrooms are old, this measure will permit basic improvements to deteriorating classrooms, restrooms and plumbing systems, science labs, and school libraries, so that children can learn in safe, healthy classrooms, including:

- **Repair or replace leaky roofs.**
- Replace portable classrooms and restrooms with permanent structures.
- Upgrade plumbing systems to ensure safe drinking water.
- Maintain adequate libraries.
- Upgrade classrooms.

* * *

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/project management, and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to: repair and replace heating/boiler, electrical plumbing, gas, drainage, water/sewer and ventilation systems; renovate student and staff restrooms; upgrade science, technology, engineering, and math labs; improve outdoor learning spaces; upgrade of facilities for energy conservation; repair and replace worn-out roofs, windows, walls, doors, doorframes and drinking fountains; improve school facilities for disability access; install or upgrade wiring and electrical systems to accommodate computers, technology and other electrical devices and needs; upgrade or construct support facilities; repair and replace fire alarms, emergency communications and security systems; resurface or replace playground asphalt, playgrounds, turf and irrigation systems and campus landscaping; improve or expand parking and improve parking lot lighting; interior and exterior painting and floor covering; stabilize hillsides for safety; install artificial turf; upgrade classrooms; repair, upgrade or install interior and exterior lighting systems; replace outdated security fences and security systems, provide indoor space for assemblies, physical education or for rainy day lunch. The upgrading of technology infrastructure includes, but is not limited to, servers, switches, routers, modules, sound projection systems, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the final costs of each project. The District may delay or 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 and construction documents are finalized, construction bids are received, construction contracts 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 more enhanced and operationally efficient campuses. Necessary site preparation/restoration or geological stabilization 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, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property.

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 bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. 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.

TAX RATE STATEMENT
SANTA BARBARA UNIFIED SCHOOL DISTRICT
ELEMENTARY SCHOOLS DISTRICT FACILITIES IMPROVEMENT DISTRICT No. 1
NOVEMBER 8, 2016

An election will be in the Santa Barbara Unified School District (the "District") on November 8, 2016, to authorize the sale of up to \$58,000,000 in bond of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in multiple series. Principal and interest on the bonds will be payable from the process of tax levies made upon the taxable property in the District. The information regarding tax rates is provided to comply with Section 9401 of the Election Code of the State of California. This information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

Based upon the foregoing and projections of the assessed valuations of taxable property in the District, and assuming the entire debt service, including principal and interest on the bonds, will be paid through property taxation:

1. The best estimate from official sources of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the first sale of bonds, and an estimate of the year in which that tax rate will apply is \$.01315 per \$100, or \$13.15 per \$100,000 of assessed valuation of all property to be taxed in fiscal year 2017-2018.

2. The best estimate from official sources of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the last sale of bonds and an estimate of the year in which that rate will apply is \$.01315 per \$100, or \$13.15 per \$100,000 of assessed valuation of all property to be taxed in 2028-2029.

3. The best estimate from official sources of the highest tax rate which would be required to be levied to fund the bond issue and an estimate of the year in which that rate will apply is \$.01315 per \$100 or \$13.15 per \$100,000 of assessed valuation of all property to be taxed in fiscal year 2017-2018.

4. The best estimate from official sources of the total debt service, including principal and interest which would be required to be repaid by tax rates levied on taxable property, if all the bonds are issued, sold and paid as projected would be \$108,046,519.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only. The actual tax rates 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 the market interest rates at the time of the sales, and the actual assessed valuations over the term of repayment of the bonds. The date of sale and the amount of bonds sold any given time will be determined by the District based on its need for construction funding as well as other factors. The actual interest rates at which the bonds will be sold will depend on bond market conditions at the time of sale. Actual assessed valuations at future dates will depend upon the amount and value of taxable property within

the District as determined by the County Assessor in the County of Santa Barbara in the annual assessment and the equalization process. Accordingly, the actual tax rate and the years in which such rates are applicable may vary from those presently estimated above.

Cary Matsuoka

Dated: June 14, 2016