

RESOLUTION NO. 1-2018/19

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

WHEREAS, the Madera Unified School District (the “District”) strives to provide every student with a well-rounded education that equips them with the skills and knowledge they need to succeed in college and careers; and

WHEREAS, while some new school facilities have been constructed and upgrades have been made to District facilities, our student population continues to increase and our elementary and middle schools still face significant overcrowding and are in need of repair and modernization; and

WHEREAS, the Board of Education (the “Board”) is committed to maintaining the quality of education in Madera public schools by addressing the growing student enrollment and preparing students for successful futures by constructing new schools to reduce student overcrowding and provide career technical education programs in areas like agriculture, engineering, robotics and public safety; and

WHEREAS, the Board has determined that schools within the District need to be upgraded, repaired, expanded, improved and better equipped in a fiscally prudent manner and in accordance with the District’s guiding principles of parity, maintenance and evolution to enable the District to improve student safety and security improvements, improve accessibility for students with disabilities, improve student access to modern technology, upgrade physical education fields and facilities for school and community use, and modernize outdated classrooms, restrooms and school facilities and replace temporary portables with permanent classrooms and;

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

WHEREAS, whether or not Madera residents have school-age children, protecting the quality of our schools, the quality of life in our community, and the value of our homes, is a wise investment; and

WHEREAS, the State of California (the “State”) is not providing the District with enough money for the District to adequately maintain its educational facilities and academic programs; and

WHEREAS, the Board has concluded that the District’s only remedy to avoid the undermining of its educational programs is securing 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 schools, protect student safety and help the District to qualify for millions of dollars of State matching funds; 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, the community and civic leaders; 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 tax rate statement and 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, November 6, 2018, and to request the Madera County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF EDUCATION OF THE MADERA 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 Madera 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 \$120,000,000 (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 November 6, 2018.

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 policies of the Board 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, classroom, educational and information technology needs of the District as well as the importance of the projects to improve student learning in core subjects like reading, math, science and technology;

(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 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 Education Code Section 5322.

Section 6. That the Madera County Registrar of Voters and the Madera County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 6, 2018 within the District. As provided in Elections Code Section 10403, the District acknowledges that the consolidation election will be conducted in the manner described in Elections Code Section 10418.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Madera County Registrar of Voters no later than August 17, 2018.

Section 8. That Bonds may be issued pursuant to Education Code Section 15264 et seq. or Government Code Section 53506 of the Government Code. 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. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Madera County Registrar of Voters by the established deadlines.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Madera 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 Madera 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 in the form attached as

Exhibit C hereto, with such changes to be made prior to mailing as may be approved by the Superintendent of the District.

PASSED AND ADOPTED by the Board of Education of Madera Unified School District at its regular meeting held on the 17th day of July, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Clerk of the Board of Education
of Madera Unified School District

STATE OF CALIFORNIA)
)ss
MADERA COUNTY)

I, _____, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Education of the Madera Unified School District at the meeting thereof held on the ____ day of _____, 2018.

Clerk of the Board of Education
of Madera Unified School District

EXHIBIT A

“To maintain student safety, accommodate growing student enrollment, enhance access to technology, improve accessibility for students with disabilities by constructing new school facilities, modernizing outdated classrooms/restrooms/school facilities and improving student safety/security shall Madera Unified School District issue \$120,000,000 in bonds at legal rates, generating \$6,700,000 annually and levying 5¢ per \$100 assessed value while bonds are outstanding, with independent oversight, no money for administrator salaries and all money staying local?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE MADERA UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 6, 2018

MADERA UNIFIED SCHOOL DISTRICT STUDENT SAFETY, SCHOOL EXPANSION, AND CLASSROOM MODERNIZATION MEASURE ABBREVIATION OF PROPOSITION

“To maintain student safety, accommodate growing student enrollment, enhance access to technology, improve accessibility for students with disabilities by constructing new school facilities, modernizing outdated classrooms/restrooms/school facilities and improving student safety/security shall Madera Unified School District issue \$120,000,000 in bonds at legal rates, generating \$6,700,000 annually and levying 5¢ per \$100 assessed value while bonds are outstanding, with independent oversight, no money for administrator salaries and all money staying local?”

KEY FINDINGS

Madera Unified School District (the “District”) strives to provide every student with a well-rounded education that equips them with the skills and knowledge they need to succeed in today’s complex world. The District takes pride in educating future leaders and preparing them for college and rewarding careers to enable them to contribute to the local economy.

Since 2005, the District has built and opened six new schools in an effort to accommodate continued increasing student enrollment. Thanks to the generous support of our community passing Measure G in 2014, the District broke ground on a new high school, Matilda Torres High School, in April, 2018. It is scheduled to open in August, 2020 and serve 2,200 students.

Our elementary and middle schools are also facing significant overcrowding. To address increased enrollment and enable the District to continue providing local students with a high-quality education, the District needs to build a new middle school, expand and improve current classrooms, labs and student support facilities as well as update the physical education fields and facilities for school and community use.

After carefully identifying the facility needs at each school site and working with parents, teachers, staff and community members to prioritize needs, the District believes a school facilities improvement bond measure is needed to provide locally controlled funding to complete the next phase of school upgrades.

Funds from a local school facilities improvement bond measure cannot be taken away by the State of California and must stay in our local community to upgrade local schools.

A school facilities improvement bond measure will require strict fiscal accountability requirements, including an independent citizens' oversight committee, mandatory annual audits and prohibition against any funds being used for administrators' salaries, pensions or benefits.

Passage of a school facilities improvement bond measure will help the District qualify for State matching funds that otherwise may be lost to other school districts.

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the voters of the Madera Unified School District (the "District") voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$120,000,000 in aggregate principal amount to provide financing for the specific facilities projects listed under the heading entitled "BOND PROJECT LIST" below (the "Bond Project List"), and qualify to receive State of California matching grant funds, subject to all of the accountability safeguards specified below.

PROJECT LIST

- Construct a new middle school to reduce student overcrowding and provide career technical education programs in areas, like agriculture, engineering, robotics and public safety
- Construct two new school facilities to accommodate student enrollment growth and reduce overcrowding
- Make student safety and security improvements
- Improve accessibility for students with disabilities
- Improve student access to computers and modern technological equipment and programs
- Modernize outdated classrooms, restrooms and school facilities and replace temporary portables with permanent 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, staff training expenses 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, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the Project List; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. 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, some or all of the following: renovate student and staff restrooms; repair and replace heating and ventilation systems; upgrade of facilities for

energy efficiencies; acquire vehicles; repair and replace worn-out and deteriorated roofs, windows, walls, doors and drinking fountains; construct District office and professional development center; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade or construct support facilities, including administrative, physical education (including upgrading or adding gyms, stadiums and locker rooms) and performing arts buildings and maintenance facilities and yards; repair and replace fire alarms, emergency communications and security systems; resurface or replace hard courts, turf and irrigation systems and campus landscaping; expand parking and drop-off areas; acquire land; construct new schools; upgrade interior and exterior painting and floor covering; demolition; upgrade pools; upgrade central kitchen and school cafeterias; construct various forms of storage and support spaces and classrooms; repair, upgrade and install interior and exterior lighting systems; improve playgrounds, athletic fields and play apparatus; replace outdated security fences and security systems (including access control systems), provide indoor space for assemblies or for rainy day lunch; upgrade music labs, media centers, adult education facilities. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems, refresh classroom technology and other miscellaneous equipment. The allocation of bond proceeds will 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 aggressively pursue to reduce the District's share of the costs of the projects, the District will 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, such as gyms, fields and performing arts facilities, 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 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.

EXHIBIT C

TAX RATE STATEMENT CONCERNING MEASURE __

TAX RATE STATEMENT REGARDING PROPOSED \$120,000,000 MADERA UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS

An election will be held in Madera Unified School District (the "District") on November 6, 2018 for the purpose of submitting to the electors of the District the question of issuing bonds of the District in the principal amount of \$120 million. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of taxes levied on the taxable property in the District. The following information regarding tax rates is given to comply with Section 9401 of the California Elections Code. 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 on the bonds will be paid through property taxation:

1. The best estimate from official sources of the average tax rate that would be required to be levied to fund the bond issue over the duration of the bond debt service, based on estimated assessed valuations available at the time of the filing of this statement, or on a projection based on experience within the District or other demonstrable factors, is \$0.04995 per \$100 (\$49.95 per \$100,000) of assessed valuation of all property to be taxed for the years beginning 2019-20 and ending fiscal year 2056-57.
2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, or on a projection based on experience within the District or other demonstrable factors, is \$0.04995 per \$100 (\$49.95 per \$100,000) of assessed valuation of all property to be taxed and the year 2025-26.
3. The best estimate from official sources 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 \$245 million.

Attention of voters is directed to the fact that the foregoing information is based upon projections and estimates. The actual timing of sales of the bonds and the amount to be sold at any time will be governed by the needs of the District and other factors. The actual interest rates at which the bonds will be sold, which will not exceed the maximum permitted by law, will depend upon the bond market at the time of sale. The actual assessed valuations in future years will depend upon the value of property within the District as determined in the assessment and

the equalization process. Therefore, the actual tax rates and the years in which those tax rates will be applicable may vary from those presently estimated and stated above.

Superintendent
Madera Unified School District