

RESOLUTION NO. 06-19-14-41

RESOLUTION OF THE BOARD OF EDUCATION OF THE FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT ACTING AS THE LEGISLATIVE BODY OF THE SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 5 OF THE FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Education of the Folsom Cordova Unified School District (the “Board”) has determined that certain neighborhood school facilities within the School Facilities Improvement District No. 5 of the Folsom Cordova Unified School District (the “Improvement District”), within Sacramento County need to be acquired, constructed, improved, and equipped to enable the Folsom Cordova Unified School District (the “District”) to enhance the educational opportunities of the students in Folsom; and

WHEREAS, to improve the quality of academic instruction in subjects like math, science, reading and writing, the District needs to renovate existing schools and provide new classrooms; and

WHEREAS, since all of the money raised by a measure will stay in our local community to support our students, it is a wise investment to (i) continue to address facility improvements now before they become more pressing and more costly, and (ii) protect the quality of our schools, the quality of life in our community and the value of our homes; and

WHEREAS, the State of California (the “State”) is unable to provide the District with enough money for the District to adequately maintain its educational facilities; and

WHEREAS, ongoing State budget cuts threaten the quality of local schools and District’s only remedy is securing local funding that the State cannot take away; and

WHEREAS, the District has prepared a facility assessment at each Folsom school and aligned them to the District’s educational goals; and

WHEREAS, the Board has received information regarding the possibility of local bond measure and its ability to significantly impact providing a 21st Century education; and

WHEREAS, such a measure will help provide funds that cannot be taken away by the State to upgrade aging schools to keep pace with changing technologies, protect student safety, and add classrooms, labs and school facilities to promote learning; and

WHEREAS, such a measure includes mandatory taxpayer protections, including an independent citizens’ oversight committee and mandatory audits to ensure funds are spent properly; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional funding for such facility repair and construction, technology, and safety needs in the Improvement District by means of a general obligation bond; and

WHEREAS, Proposition 46, approved by the voters of the State of California on June 3, 1986 (“Proposition 46”), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which 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, 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 Sacramento County Board of Supervisors has adopted a resolution causing the provisions of the Act to be applicable within Sacramento County; 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 citizens' oversight committee which 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, 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, 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, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to 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 November 4, 2014, and to request the Sacramento County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request the Sacramento County Registrar of Voters to call an election pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and sold on behalf of the District for purposes set forth below.

NOW THEREFORE, THE BOARD OF EDUCATION OF THE FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT ACTING AS THE LEGISLATIVE BODY OF THE SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 5 OF THE FOLSOM CORDOVA UNIFIED SCHOOL 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 Sacramento 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 \$195,000,000 (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 4, 2014.

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” and incorporated by reference herein, containing the question of whether the Improvement District shall issue the Bonds to pay for improvements to schools to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibits “A” and “B” is subject to the following requirements and determinations:

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

(b) that the Board, in establishing the projects set forth in Exhibits “A” and “B” evaluated the safety, class size reduction and information technology needs of the District as well as the importance of improving the quality of academic instruction in core subjects like math, science, reading and writing;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibits “A” and “B” hereto;

(d) that the Board will 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 limit per \$100,000 of taxable property in the Improvement District when assessed valuation is projected by the Improvement 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 15340, 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 Sacramento County Registrar of Voters is hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014 within the Improvement District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Sacramento County Registrar of Voters no later than July 15, 2014. That this Resolution shall stand as the "order of election" to the Sacramento County Registrar of Voters to call an election within the boundaries of the Improvement District on November 4, 2014.

Section 8. That bonds may be issued pursuant to Section 15300 et seq. of the Education Code or 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 be made by any body or official authorized by law to canvass the returns of the election 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 Sacramento 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 Sacramento 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 Sacramento County, such services to include the publication of a Formal Notice of School Bond 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 19th day of June, 2014.

BOARD OF EDUCATION OF THE FOLSOM
CORDOVA UNIFIED SCHOOL DISTRICT
ACTING AS THE LEGISLATIVE BODY OF
THE SCHOOL FACILITIES IMPROVEMENT
DISTRICT NO. 5 OF THE FOLSOM CORDOVA
UNIFIED SCHOOL DISTRICT

By _____
Zak Ford, President

Attest:

Deborah Bettencourt, Secretary

EXHIBIT A

“To upgrade instructional technology, computer labs, student safety and security systems, construct, acquire, repair classrooms, sites, facilities/equipment to improve the quality of academic instruction in core subjects like math, science and writing, replace aging portable classrooms, and upgrade aging/inefficient electrical/HVAC systems to save money, shall Folsom Cordova Unified School District School Facilities Improvement District No. 5 issue \$195 million in bonds at legal rates with citizen oversight, annual audits, with all funds spent only in Folsom and no funds for administrators’ salaries?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 5 OF THE FOLSOM CORDOVA UNIFIED
SCHOOL DISTRICT
BOND MEASURE ELECTION NOVEMBER 4, 2014

The following is the full proposition presented to the voters of the School Facilities Improvement District No. 5 of the Folsom Cordova Unified School District.

“To upgrade instructional technology, computer labs, student safety and security systems, construct, acquire, repair classrooms, sites, facilities/equipment to improve the quality of academic instruction in core subjects like math, science and writing, replace aging portable classrooms, and upgrade aging/inefficient electrical/HVAC systems to save money, shall Folsom Cordova Unified School District Facilities Improvement District No. 5 issue \$195 million in bonds at legal rates with citizen oversight, annual audits, with all funds spent only in Folsom and no funds for administrators’ salaries?”

PROJECT LIST

The Board of Education (the “Board”) of the Folsom Cordova Unified School is committed to maintaining the quality of education and preparing students for college and 21st Century careers. To that end the Board evaluated the District’s urgent and critical facility needs, including safety issues, class size reduction, and computer and information technology, in developing the scope of projects to be funded. The District has prepared a Facilities Master Plan, approved by the Board on November 21, 2013 which is incorporated herein in its entirety. 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. **Therefore, in approving this Project List, the Board determines that the District must:**

- (i) **Prepare our students for the 21st Century, and provide a greater emphasis on core subjects like math, science, reading and writing in the classroom; and**
- (ii) **Repair old buildings, cut utility bills through energy projects saving hundreds of thousands of dollars a year, protect core academic classes and retain quality teachers; and**
- (iii) **Adhere to specific ACCOUNTABILITY SAFEGUARDS such as:**
 - (a) **Every penny from this measure must benefit Folsom schools, be controlled locally, and cannot be taken away by the State,**
 - (b) **No funds can be used to increase salaries, benefits or pensions for teachers, administrators or other school employees, and an independent citizen oversight committee must be appointed to ensure that all funds are spent only as promised,**
 - (c) **All expenditures must be subject to annual independent financial audits,**
 - (d) **All funds must be used locally in Folsom only.**

Renovation, Repair and Upgrade Projects

Goal and Benefits: To maintain high quality education at our local Folsom neighborhood schools and to increase an emphasis on math, science, reading, writing and technology education, schools will benefit from the renovation, repair and upgrade of aging classrooms, labs and inefficient heating and cooling systems which will save money so that classrooms are safe and well maintained.

- Repair or replace leaky roofs.
- Upgrade aging and inefficient electrical heating and air conditioning to save money.
- Provide additional electrical service capacity to relieve overloaded electrical systems so that it can handle modern instructional technology.
- Replace older windows, ceilings, heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems which will save money.
- Upgrade classrooms, science labs, libraries, and other learning technology so that our students are prepared for college and 21st Century careers.
- Renovate existing classrooms to accommodate current curriculum emphasis on science, technology, and math.

Health, Safety and Energy Efficiency Projects

Goal and Purpose: Since good, safe, clean, well-maintained and up-to-date schools help make our neighborhoods more desirable and improve local property values, reduce maintenance and operating costs and return more money to the classroom, schools sites will benefit from a variety of health, safety and security projects, such as:

- Upgrade security systems.
- Upgrade schools to ensure they are accessible to disabled students and citizens.
- Replace or update outdated portable classrooms, restrooms, lighting, plumbing, irrigation, heating and ventilation systems.
- Upgrade fire alarm systems, smoke detectors and sprinklers, improve fire safety equipment and fire exit doors to make students safer in the event of an emergency.
- Upgrade emergency communication systems to improve student safety.

Instructional Technology Upgrade Projects to Provide 21st Century Technology Skills

Goal and Purpose: Upgrades to instructional technology, labs and classrooms are needed to prepare students for college and 21st Century careers:

- Provide and maintain up-to-date technology infrastructure.
- Upgrade and expand wireless systems, telecommunications, Internet and network connections.
- Upgrade electrical systems and wiring.
- Upgrade classrooms for instructional technology to improve student learning in core subjects like math, science, engineering and technology.

* * *

The listed projects will be completed as needed. Project expenditures described above may be undertaken at any and all District schools and facilities in the boundaries of the School Facilities Improvement District No. 5. 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; the reduction or prepayment of outstanding lease obligations, and interim funding incurred to advance fund projects from the Project List; 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 or 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 and water systems; upgrade of facilities for energy efficiencies, including solar covered parking structures; repair and replace worn-out and leaky roofs, windows, shade structures, trash enclosures, walls, doors and drinking fountains; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs, install energy management systems; upgrade or construct support facilities, including administrative support areas, physical education facilities, gyms, tracks, bleachers and a press box, and hard courts, facilities for theater arts and music; install security systems and alarms, including locks, keyed gates, fencing, and emergency lock down capability; repair and replace fire alarms, emergency communications and security systems; resurface or replace hard courts, play areas, paved surfaces, turf and irrigation systems and campus landscaping; expand parking; acquisition of sites and facilities; interior and exterior finishing, painting and floor covering; demolition; construct various forms of storage and support spaces, upgrade or construct classrooms, cafeterias, outdoor lunch seating, food service facilities; repair, upgrade and install interior and exterior lighting systems; improve gas lines, playgrounds, athletic fields and play apparatus; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, LCD projectors, portable interface devices, computers, 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 and other miscellaneous equipment, as well as computer server rooms, technology office space, centralize high speed data connections between school sites. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects 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 removable 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, INCLUDING PENSIONS.