

TO: BOARD OF EDUCATION
FROM: SUPERINTENDENT
DATE: JUNE 3, 2014 (INFORMATION)
JUNE 17, 2014 (ACTION)

SUBJECT: RESOLUTION #13/14-19 – RESOLUTION OF THE BOARD OF EDUCATION OF CONEJO VALLEY UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

ISSUE:

Should the Board of Education adopt Resolution #13/14-19 – Resolution of the Board of Education of Conejo Valley Unified School District Ordering an Election and Establishing Specifications of the Election Order, as submitted?

BACKGROUND:

In 1998, the voters of the Conejo Valley overwhelmingly approved Measure R, an \$88 million general obligation bond to support school renovation and modernization projects in Conejo Valley Unified School District. District staff was successful in obtaining an additional \$66 million in State Modernization and Joint-Use Grants and \$5 million in grants from the City of Thousand Oaks to leverage the impact of local bond funds. For the past 15 years, the District has carefully spent these funds to significantly improve the infrastructure, safety and utility of District schools. The District currently operates 32 school sites with total buildings in excess of 2 million square feet. The average school site in CVUSD is over forty years old. District schools need additional renovation and modernization, improvements in safety, and significant investments in technology infrastructure and support in order to provide students with an education that will prepare them for success in the new century.

On April 16, 2013, the Board of Education approved a consulting agreement with TBWB Strategies to perform the first phase of a bond feasibility study involving a public opinion research survey. TBWB Strategies subcontracted with the public opinion research firm, Godbe Research to perform the survey. On August 20, 2013, representatives from TBWB Strategies and Godbe Research presented a report to the Board on the findings from the study. The study indicated voters gave the District extremely high marks for quality of education and the management of public funds. A majority of voters indicated they would support a November 2014 bond measure. However, they also indicated they would like more information and input before a measure was finalized. In response, on October 15, 2013, the Board approved an agreement with TBWB Strategies to conduct the second phase of a bond feasibility study for CVUSD involving public outreach and engagement. The proposal included professional assistance and support to the District over a nine month period ending in June 2014, the deadline for the Board of Education to make a decision to place an initiative on the November 2014 ballot.

Over a six month period, District representatives met with community leaders and small groups to share information about a potential November 2014 bond initiative. The meetings focused on information about potential bond project priorities, as well as the possible size and potential tax rates associated with the bond. The feedback from individuals and groups proved to be very valuable. On April 22, 2014, District Superintendent Jeff Baarstad and Jared Boigon of TBWB Strategies presented information from the outreach and engagement process. They reported significant community support around four identified project priorities. A potential bond of \$197 million was identified that could be supported without increasing the current property tax rate associated with the Measure R Bond passed in 1998. Following the report, TBWB Strategies recommended the District commission a follow-up public opinion research survey to determine the response of likely registered voters to the updated bond proposal. The Board of Education approved a proposal from Godbe Research to perform the follow-up survey.

At the Board meeting held on May 6, 2014 the Board of Education received a report on the public opinion research survey conducted to determine support for the proposed bond initiative. That survey documented 66% support for the initiative from likely November voters. In response, the Board of Education directed staff to prepare a resolution and supporting documents to place the initiative on the November ballot for Board consideration. On May 20, 2014, the Board of Education approved a Bond Counsel Agreement with Stradling, Yocca, Carlson and Rauth, and a Bond Program Management and Financial Advisory Services agreement with Piper Jaffray and Company, both agreements necessary precursors for the development of the resolution and supporting documents.

ALTERNATIVES:

1. Adopt Resolution #13/14-19, as submitted.
2. Do not adopt Resolution #13/14-19, as submitted.

RECOMMENDATION:

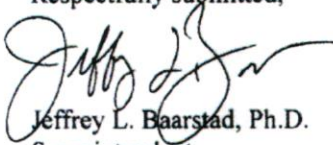
Approve alternative #1.

RATIONALE:

District Bond Counsel David Casnocha of Stradling, Yocca, Carlson and Rauth has prepared the language of Resolution #13/14-19, and it contains the legal information, findings and notices necessary to place a \$197 million general obligation bond before the voters of Conejo Valley Unified School District on the November 4, 2014 General Election ballot. The resolution before the Board calls an election within the District for the purpose of approving school bonds, to request the Ventura County Registrar of Voters to conduct the elections on behalf of the District, and to authorize the preparation of election materials including ballot arguments and tax rate statement, to be included in the ballot pamphlet. State law requires the Board of Education to order school district elections. The Ventura County Registrar of Voters will conduct the elections on behalf of the District, including publishing all required notices. This resolution meets the statutory requirements for describing the projects to be funded with the proceeds of the bonds, which is included as Exhibit B to the resolution. A 75-word summary of the measure, as it will appear on the ballot, is also included in the resolution as Exhibit A. The resolution also authorizes the preparation and filing of a tax rate statement, which must be included in the ballot pamphlet, describing the anticipated rates of tax throughout the life of the bond issue. The resolution also authorizes, but does not commit, the Board and/or individual members of the Board to prepare and sponsor a ballot argument in support of the bond measure. No more than five (5) persons may sign the ballot argument.

This election will be called under constitutional and statutory provisions that require fifty-five percent (55%) voter approval, and certain accountability requirements, including annual independent financial and performance audits of how funds are spent, and the formation of a Citizens' Bond Oversight Committee. Following adoption, the resolution (including the signed tax rate statement) must be delivered to the Registrar of Voters and the Board of Supervisors. State law requires that 2/3rd of a school board support the resolution calling an election requiring 55% voter approval. At least four (4) Board members must be present and vote "Yes" in order to call the election. A copy of the proposed resolution follows.

Respectfully submitted,



Jeffrey L. Baarstad, Ph.D.
Superintendent

JLB:ki

RESOLUTION NO. 13/14 - 19

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

WHEREAS, the Board of Education (the "Board") of the Conejo Valley Unified School District (the "District") is committed to maintaining the quality of education for all students in our local schools by providing a foundation in math, science and technology sufficient for students to succeed in the 21st Century; and

WHEREAS, the Board has determined that local neighborhood schools need upgraded science, mathematics and career preparation labs to ensure our students will have access to up-to-date instructional technology; and

WHEREAS, the Board believes that it is critical to modernize 50-year old classrooms and replace aging portables both to meet modern safety standards and provide up-to-date technology infrastructure to support instructional technology; and

WHEREAS, any Proposition 39 local bond measure proposed by the District is legally required to include mandatory taxpayer protections, including an Independent Oversight Committee and mandatory audits to ensure funds are spent as promised, that none of the money can be spent on administrators' salaries or pensions; and

WHEREAS, in making basic repairs to aging schools, every dollar received from a local measure must only benefit local schools, be controlled locally, and cannot be taken away by the State; 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 notwithstanding ongoing efforts to obtain such monies; and

WHEREAS, recent State budget cuts threaten the quality of local schools and the District's remedy to improve its local school facilities is securing local funding that that is required to be spent locally to improve our neighborhood schools; and

WHEREAS, in the considered judgment of the Board, it is in the best interests of the District residents to provide additional facility and site improvement funding to meet such needs now by means of a general obligation bond which would not increase current tax rates; and

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

WHEREAS, such a measure will help provide funds that cannot be taken away by the State to upgrade aging schools, protect student safety and school security, and repair and replace electrical, plumbing, roofing, lighting, heating and air conditioning that have not been updated in up to 30 years; and

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

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

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

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

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

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

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

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

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

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 4, 2014, and to request the Ventura County Registrar of Voters to perform certain election services for the District;

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

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests Ventura 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 \$197 million (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 4, 2014.

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

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

(b) that the Board, in establishing the projects set forth in Exhibit "B," evaluated the student safety, class size reduction, and the educational and information technology needs of 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 shall appoint a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274; and

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

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

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

Section 6. That the Ventura County Registrar of Voters and the Ventura County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014 within the District.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Ventura County Registrar of Voters no later than August 8, 2014.

Section 8. That any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to Section 53506 of the Government Code shall have a maturity not exceeding forty (40) years. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by any body or official authorized by law to canvass such returns, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Ventura 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 Ventura 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 Ventura County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 17th of June, 2014.

BOARD OF EDUCATION OF THE CONEJO VALLEY
UNIFIED SCHOOL DISTRICT

By Peggy Buckner
President


Attest:

Judy [Signature]
Secretary

STATE OF CALIFORNIA)
)ss
VENTURA COUNTY)

I, Jeffrey Baarstad, do hereby certify that the foregoing is a true and correct copy of Resolution No. 13/14-19 which was duly adopted by the Board of Education of the Conejo Valley Unified School District at the meeting thereof held on the 17th of June, 2014, and that it was so adopted by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTENTIONS: 0



Jeffrey Baarstad
Secretary of the Board of Education

EXHIBIT A

"To upgrade/maintain Conejo Valley schools with funding that cannot be taken by the State, shall Conejo Valley Unified School District upgrade all science/career training labs, update/maintain classroom technology and network infrastructure, provide safe, well maintained classrooms, repair/replace electrical, plumbing/roofing, repair, construct, acquire/equip sites/facilities, and improve school safety/security by issuing \$197 million in bonds, at legal rates, with citizens' oversight, annual audits, no money for administrators, and without increasing current tax rates?"

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE CONEJO VALLEY UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 4, 2014

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

“To upgrade/maintain Conejo Valley schools with funding that cannot be taken by the State, shall Conejo Valley Unified School District upgrade all science/career training labs, update/maintain classroom technology and network infrastructure, provide safe, well maintained classrooms, repair/replace electrical, plumbing/roofing, repair, construct, acquire/equip sites/facilities, and improve school safety/security by issuing \$197 million in bonds, at legal rates, with citizens’ oversight, annual audits, no money for administrators, and **without increasing current tax rates?**”

PROJECT LIST

The Board of Education of the Conejo Valley Unified School District is committed to safe local schools with upgraded classrooms, science, mathematics and career preparation labs and up-to-date technology systems to keep pace with 21st Century learning standards. To that end, the Board evaluated the District’s urgent and critical facility needs, including student safety, class size reduction, computer and information technology in developing the scope of projects to be funded in a fiscally responsible manner. The District conducted a facilities evaluation and received public input through school site meetings, community presentations, opinion leader input, and interactive materials engaging hundreds of community constituents. Teachers, staff, parents, community members and the Board have prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board concluded that if these needs are not addressed now, the problems will only become more pressing and expensive to address. **Therefore, in approving this Project List, the Board of Education determines that the District:**

- (i) **Must maintain the quality of local education by adapting classrooms for hands-on science, technology, engineering, mathematics (STEM) and modern instruction.**
- (ii) **Must repair and replace electrical plumbing, roofing, lighting, heating and air conditioning that have not been updated in up to 30 years;**
- (iii) **Must modernize classrooms that are up to 50-years old and replace aging portables to meet modern safety standards;**
- (iv) **Must adhere to specific fiscal accountability safeguards such as:**
 - (a) **All expenditures must be subject to annual independent financial audits.**
 - (b) **ALL FUNDS MUST BE SUBJECT TO LOCAL CONTROL AND CANNOT BE TAKEN AWAY BY THE STATE.**

(c) No funds can be used for administrators' salaries and pensions.

(d) AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE MUST BE APPOINTED TO ENSURE THAT ALL FUNDS ARE SPENT ONLY AS AUTHORIZED.

The Project List includes the following types of upgrades and improvements at all of the District's schools:

School Renovation, Repair and Upgrade Projects
With Locally Controlled Funds that Cannot Be Taken By the State

Goal and Purpose: Since completing basic repairs to schools save more than \$500,000 per year in maintenance and operating costs, which can be used for classroom core academic programs, schools and school sites will benefit from a variety of basic repair projects, such as:

- Repair classrooms and restrooms.
- Repair or upgrade 30-year old heating, plumbing, lighting, electrical and air-conditioning systems.
- Update fire safety systems, including fire safety doors, smoke alarms, and detectors.
- Update handicapped accessibility.

School Safety Projects

Goal and Purpose: Many local schools need basic health and safety improvements because they were built decades ago. The repair of deteriorating restrooms, leaky roofs, plumbing systems and electrical wiring, asbestos removal, earthquake retrofits and fire safety are among the student safety projects needed to keep schools safe and clean:

- Upgrade campus security, including lighting, fencing, gates, classroom door locks, up-to-date alarms and security cameras on all school campuses.
- Replace aging, outdated portables with modern classrooms that meet 21st century health, safety and academic standards.
- Abate hazardous materials, such as asbestos.

**District-Wide Instructional Technology, Academic Programs
and Vocational Training Projects
To Prepare Students for the 21st Century Economy**

Goal and Purpose: To ensure all students have equal access to up-to-date classrooms, libraries and vocational education programs and to upgrade classroom computers and computer technology to allow our teachers and students to use up-to-date teaching methods and enhance instruction in core academic subjects like science, technology , engineering and math (STEM) and permit students to compete for good 21st Century jobs and be prepared for college:

- Install and maintain network infrastructure to keep technology up-to-date.
- Upgrade instructional technology in the classroom for improved student learning.
- Provide and maintain up-to-date technology, data and communication equipment.
- Upgrade and expand wireless systems, telecommunications, Internet and network connections.
- Update science and math lab technology to help students prepare for careers and good-paying jobs.
- Upgrade libraries.
- Provide specialized classrooms to support technical education, networking, robotics, computer programming, engineering and medical technology.

* * *

The listed projects set forth above and below will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by bond projects. The upgrading of technology infrastructure includes, but is not limited to, computers, projectors, portable interface devices, servers, switches, routers, modules, interactive white boards, sound projection systems, printers, document projectors, upgrade voice-over-IP, phone systems, call manager and network security and firewalls, wireless networks, computer labs, fiber optic cabling, phone system and other miscellaneous equipment. The District may establish a technology endowment to provide resources for future technology upgrades. The construction/repair of school facilities includes the upgrading and replacing school site parking, aging portable classrooms, campus accessibility, utilities, and grounds, physical education and playground equipment, hard court surfaces, shade structures for student assembly and protecting students from inclement weather during lunch, libraries, District support facilities; enhanced signage; fire sensors; replace damaged and unsafe gym bleachers; install water conservation systems and upgrade hydration stations; music, performing arts centers; electrical wiring; tracks, gym flooring, lockers, athletic and play fields turf may be upgraded for safety and operational efficiency; solar power and heating and water recycling systems; constructing new facilities and classrooms; renovate and paint interior and

exterior building surfaces to extend their useful life; ceilings, walls, flooring; physical education facilities improvements; security, safety and communication systems and equipment; window and floor coverings (including tiles and carpeting); upgrade or construct cafeterias and acquire kitchen equipment; and upgrade irrigation systems; improvements and furnishings and/or other electronic equipment and systems; windows, cracked sidewalks, create outdoor amphitheater areas. The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. To reduce the District's share of the costs of the projects, the District will apply for all available State matching funds. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Relocation or demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Relocation expenses caused by the sale or reuse of school facilities or property may also be funded with bond proceeds. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

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