

**ATASCADERO UNIFIED SCHOOL DISTRICT
REGULAR BOARD MEETING AGENDA
MAY 20, 2014**

RESOLUTION NO. 21-13-14

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
ATASCADERO UNIFIED SCHOOL DISTRICT ORDERING AN
ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL BONDS,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON NOVEMBER 4, 2014**

WHEREAS, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Article XIII A of the California Constitution to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

WHEREAS, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Strict Accountability Act"), became operative; and

WHEREAS, pursuant to Proposition 39 and the Strict Accountability Act, on November 2, 2010, a bond election was conducted within the boundaries of the Atascadero Unified School District (the "District") on the question of authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$117,000,000 (the "Measure I-10 Bonds"), and more than 55 percent of the voters voting on the proposition approved the passage of Measure I-10; and

WHEREAS, the District has previously issued one series of Measure I-10 Bonds in the aggregate principal amount of \$25,500,000, leaving \$91,500,000 of Measure I-10 Bonds which have been authorized but unissued by the District (the "Unissued Measure I-10 Bonds"); and

WHEREAS, Section 15268 of the Strict Accountability Act requires that at the time of issuance of any series of Measure I-10 Bonds, the District must project that the tax rate levied to pay debt service on such Measure I-10 Bonds, together with debt service due on other series of Measure I-10 Bonds which have previously been issued, will not exceed \$60 per year per \$100,000 of taxable property; and

WHEREAS, as a result of the general economic downturn commencing in 2008 and declines in the assessed valuations of property in the District since that time, the Board of Trustees (the "Board") of the District has determined that, due to the limitations imposed by the Strict Accountability Act, the District will not in the immediate future be able to make the tax rate projections required under the Strict Accountability Act and therefore is prevented from issuing all of the Unissued Measure I-10 Bonds, unless such bonds are issued by the District as long-term capital appreciation bonds which would result in excessive borrowing costs imposed on the property tax payers in the District; and

WHEREAS, there is an urgent need to complete the educational projects for which Measure I-10 Bonds have been authorized, and in order to avoid excessive borrowing costs which would result from the issuance of long-term capital appreciation bonds, the Board has determined to call an election to submit to the electors of the District the question whether a new issue of general obligation bonds of the District (the "Reauthorized Bonds"), in the principal amount of \$58 million, shall be issued and sold for the purpose of raising money to complete the educational projects for which the Measure I-10 Bonds have been authorized, through the acquisition and improvement of real property and the furnishing, building and equipping of school facilities of the District, all pursuant to the provisions of Proposition 39 and the Strict Accountability Act; and

WHEREAS, in order to ensure that the issuance of the Reauthorized Bonds will not result in an increase in the total authorized District debt pursuant to Measure I-10, the Board has determined and shall covenant that prior to issuing any series of Reauthorized Bonds, the Board will take all actions which are required in order to cancel a like aggregate principal amount of Unissued Measure I-10 Bonds;

WHEREAS, the Board is authorized to pursue the authorization and issuance of the Reauthorized Bonds under Article XIII A by a 55 percent vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes; and

WHEREAS, under Section 10403 *et seq.* of 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 San Luis Obispo County Registrar of Voters to perform certain election services for the District;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE ATASCADERO UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the principal amount of \$58 million (the "Reauthorized Bonds") for the purpose of raising money to finance school facilities and property of the District, and paying costs incident thereto, as set forth more fully in the ballot proposition approved under Section 3. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

Section 2. Election Date. The date of the election shall be November 4, 2014, and the election shall be held solely within the boundaries of the District.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a measure, a full copy of which is attached hereto as Appendix A and marked "Exhibit A – Ballot Measure – Full Text of Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF MEASURE"

and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure. As required by Elections Code Section 13247 and Education Code Section 5322, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Exhibit B – Ballot Measure – Abbreviated Form." The Superintendent is hereby authorized and directed to make any changes to the text of the measure (full text and/or abbreviated measure) as required to conform to any requirements of Article XIII A, the Act or the San Luis Obispo County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section I paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. School Facilities Projects. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Exhibit A.

Section 6. No Increase in District Debt; Cancellation of Unissued Measure I-10 Bonds. The aggregate original principal amount of all of the Measure I-10 Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, shall not exceed \$117,000,000, being the original authorized amount of the Measure I-10 Bonds. To that end, the Board hereby covenants as follows:

- (a) prior to the issuance of any series of the Reauthorized Bonds, the Board shall adopt a resolution petitioning the Board of Supervisors of San Luis Obispo County to cause the Unissued Measure I-10 Bonds to be canceled in a principal amount equal to the principal amount of such series of Reauthorized Bonds; and
- (b) under any circumstances, including but not limited to a failure or refusal by the County to cancel a portion of the Unissued Measure I-10 Bonds, the Board shall not authorize the issuance of any Unissued Measure I-10 Bonds or Reauthorized Bonds if such issuance would cause the aggregate original principal amount of all of the Measure I-10 Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, to exceed \$117,000,000.

Section 7. Covenants of the Board upon Approval of the Reauthorized Bonds by the Electorate. As required by Article XIII A and Section 15278 of the Education Code, in the event 55 percent or more of the voters voting in the District approve of the Reauthorized Bonds, the Board shall:

- (a) Conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;

- (b) Conduct an annual, independent financial audit of the proceeds from the sale of the Reauthorized Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A; and
- (c) Establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Education Code.

Section 8. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to the San Luis Obispo County Superintendent of Schools, the San Luis Obispo County Registrar of Voters (the "County Registrar") and the San Luis Obispo County Clerk of the Board of Supervisors. The County Registrar is hereby requested to print the full text of the ballot proposition in the ballot materials and to publish the Notice of School Bond Election in a newspaper of general circulation within the District, a form of which is set forth on Exhibit C hereto.

Section 9. State Matching Funds. In accordance with Section 15122.5 of the Education Code, the following statement has been included on the Full Text of Measure set forth on Exhibit A, and shall appear as such on the ballot:

"Approval of this measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond proposition.."

Section 10. Consolidation of Election; Request to Provide Services. The County Registrar and the San Luis Obispo 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. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of San Luis Obispo County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse San Luis Obispo County in full upon presentation of a bill, 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).

Section 11. Ballot Arguments; Tax Rate Statement. Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The President of the Board, the Superintendent, the Assistant Superintendent, Business Services, or any designee of the foregoing, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond proposition on the ballot.

Section 12. Government Code Accountability Measures. As required by Section 53410 of the Government Code, the Board covenants to apply the Bond

proceeds only to the specific purposes stated in the ballot proposition, cause creation of accounts into which bond proceeds shall be deposited, and cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411, the first report to be filed not later than one year after the issuance of the first series of the Bonds, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the Measure.

Section 13. Maturity Limit of Bonds. The Reauthorized Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature not more than 30 years from the date of issuance thereof. The Reauthorized Bonds shall be issued under the Education Code, under the provisions of Section 53506 of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 14. Engagement of Professional Services. The firm of Dale Scott & Company is hereby designated to act as financial advisor to the District, and the firm of Jones Hall, A Professional Law Corporation, is hereby designated as bond counsel to the District, in connection with the election proceedings authorized under this Resolution and the issuance of any bonds in the event such election is approved by the requisite percentage of voters. The Superintendent is hereby authorized and directed to enter into an agreement with each of such firms in the respective forms on file with the Clerk of the Board.

Section 15. Effective Date. This resolution shall take effect on and after its adoption.

* * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Atascadero Unified School District of San Luis Obispo County, being the Board authorized by law to make the designations therein contained by the following vote, on May 20, 2014.

[Requires 2/3 affirmative vote of Board for passage]

Ayes:

Noes:

Absent:

Clerk of the Board of Trustees
of the Atascadero Unified School District

APPENDIX A
BALLOT PROPOSITION
FULL TEXT

To continue the work of Measure I-10 by modernizing and expanding vocational education facilities, repairing aging schools throughout the District, improving student computer access, and constructing a high school science, technology, engineering and mathematics facility, shall \$58 million of Atascadero Unified School District bonds, previously approved in November 2010, be reauthorized through issuance of new bonds with interest rates below legal limits, independent citizens oversight, no money for administrator salaries and no increase in total authorized District debt?

Bonds—Yes

Bonds—No

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$58 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Measure I-10 at an election held in the District on November 2, 2010. However, the general economic downturn which commenced in 2008 has resulted in lower assessed valuations in the District, and, as a result, due to State law limitations imposed on the issuance of bonds under Measure I-10, the District estimates that it will be not be able to issue all of the remaining Measure I-10 Bonds in the immediate future without incurring excessive borrowing costs. The Board of Trustees of the District has found and determined that there continues to be an urgent need in the District for the completion of the educational projects approved by District voters under Measure I-10. If the Bonds are approved and issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Measure I-10 Bonds in a like amount.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following) and California Government Code Section 53410 and following.

Evaluation of Needs. The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond at this time. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. The School Board shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

Performance Audits. The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, proceeds of the bonds will be deposited into a Building Fund to be held by the San Luis Obispo County Treasury, as required by the California Education Code. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the proposition, as required by Sections 53410 and 53411 of the California Government Code.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

BOND PROJECT LIST

Projects Subject to Available Funding; Matching Funds. The following list of projects is subject to the availability of adequate funding to the District. Approval of this measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond proposition.

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish, rebuild and otherwise improve educational and support facilities within the District. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects.

Bond proceeds may also be expended to acquire real property (or any interest in real property) for future educational and support facilities and to acquire and install furniture, fixtures and equipment at any classrooms and other educational facilities within the District. The District may alter the scope and nature of any of the specific projects which are described below as required by conditions that arise during the course of design and construction.

LIST OF SPECIFIC SCHOOL FACILITIES PROJECTS

Renovation, Modernization, Repair and Construction of Schools Facilities Projects

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, rebuild and furnish the District's classrooms, restrooms, and facilities including but not limited to those located at:

Atascadero High	Monterey Road Elementary
Atascadero Junior High	San Benito Elementary
Carrisa Plains Elementary	San Gabriel Elementary
Creston Elementary	Santa Margarita Elementary
Del Rio Continuation High School	Santa Rosa Road Academic Academy
Fine Arts Academy	West Mall Alternative

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. Some of the projects listed below may not be financed with bond proceeds depending upon actual project costs. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

- Expand the District's vocational education programs and facilities, such as welding and automotive technology, culinary arts, medical and health technology, and construction trades
- Upgrade classrooms and educational facilities with up-to-date computers and technology
- Construct a Science, Technology, Engineering and Mathematics' facility at Atascadero High School
- Repair and replace roofs
- Meet handicap accessibility (ADA) requirements in restrooms and classrooms
- Upgrade and replace outdated heating, ventilation, and air-conditioning (HVAC) systems
- Repair, renovate and modernize outdated and aging classrooms and school facilities throughout the District
- Install solar and other energy cost saving systems
- Renovate restrooms throughout the District
- Upgrade playfields and athletic facilities throughout the District
- Construct and develop a Visual and Performing Arts Center at Atascadero High School
- Repurpose one of the existing high school buildings to accommodate a student and staff cafeteria including a staff development, meeting & classroom facility
- Renovate and reconstruct the downtown junior high campus
- Renovate or relocate and reconstruct the downtown Atascadero Fine Arts Academy

APPENDIX B
BALLOT PROPOSITION
ABBREVIATED FORM

To continue the work of Measure I-10 by modernizing and expanding vocational education facilities, repairing aging schools throughout the District, improving student computer access, and constructing a high school science, technology, engineering and mathematics facility, shall \$58 million of Atascadero Unified School District bonds, previously approved in November 2010, be reauthorized through issuance of new bonds with interest rates below legal limits, independent citizens oversight, no money for administrator salaries and no increase in total authorized District debt?

Bonds—Yes

Bonds—No

APPENDIX C

FORM OF SCHOOL BOND ELECTION NOTICE

NOTICE IS HEREBY GIVEN to the qualified electors of the Atascadero Unified School District (the "District") located in the County of San Luis Obispo, State of California, that in accordance with applicable law, an election will be held on Tuesday, the 4th day of November, 2014, in the District, at which election there will be submitted to the voters the question of issuing and selling bonds of said District in the amount of not to exceed Fifty-Eight Million Dollars (\$58,000,000) in accordance with the actions relating thereto taken by the Board of Trustees of the District.

The abbreviated statement of the measure to appear on the ballot is as follows:

“To continue the work of Measure I-10 by modernizing and expanding vocational education facilities, repairing aging schools throughout the District, improving student computer access, and constructing a high school science, technology, engineering and mathematics facility, shall \$58 million of Atascadero Unified School District bonds, previously approved in November 2010, be reauthorized through issuance of new bonds with interest rates below legal limits, independent citizens oversight, no money for administrator salaries and no increase in total authorized District debt?”

All of the purposes enumerated in the measure are united and shall be voted upon as one single proposition. The bonds proposed to be issued and sold shall bear interest at rates that do not exceed statutory limits per annum, and the number of years the whole or any part of any series of bonds are to run shall not exceed the statutory maximum.

Each qualified elector of the District shall be entitled to vote only in the District election precinct of which he/she is a resident. If 55% of the qualified electors voting on the measure vote “YES”, then the measure is approved.

The Board of Trustees of the District, pursuant to Resolution No. ____ duly adopted at a public meeting of the Board held on May 20, 2014, ordered the election described in this Notice pursuant to the terms contained in such Resolution and in accordance with all legal requirements.

Dated this ____ day of _____, 2014.

SAN LUIS OBISPO COUNTY
REGISTRAR OF VOTERS:

By: _____