

RESOLUTION NO. 2017/2018-36

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

WHEREAS, the Board of Education (the “Board”) is committed to improving the quality of education in Los Alamitos public schools by repairing deteriorating roofs, plumbing, sewer and electrical systems, upgrading school buildings and infrastructure to meet today’s academic standards and by updating science classrooms and computer labs to support growing demand for careers in science, engineering, and technology; and

WHEREAS, the Board has determined further that schools within the Los Alamitos Unified School District (the “District”) need to be upgraded, repaired, expanded, improved and better equipped in a fiscally prudent manner to improve student safety and campus security by installing security fencing, security cameras and emergency communications systems; and

WHEREAS, Los Alamitos High School was built in the 1960’s and still has classrooms with one or two electrical outlets, which is not enough to support the educational technology needed to prepare students for success in the 21st Century workplace; 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 provide science labs, engineering labs and career technical facilities so students are prepared for college and good paying jobs in fields like health sciences, engineering, and the skilled trades; and

WHEREAS, the Board believes that by increasing the academic and vocational opportunities for our youth today will provide a strong foundation for our community in the future; and

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

WHEREAS, the District will increase its reserve funds for future long-term facility projects to reduce the need for future bonds, as 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 have solicited stakeholder and community input on school priorities from parents, teachers, staff, the community and civic leaders; and

WHEREAS, the District has reviewed and is in agreement with the criteria established by the Orange County Taxpayers Association for the fiscally responsible issuance of local school district bonds; 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 District has formed its School Facilities Improvement District No. 1 (the "Improvement District"); and

WHEREAS, the Board desires to authorize the submission of a proposition to the District's voters within the Improvement District 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 Orange County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF EDUCATION OF THE LOS ALAMITOS 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 Orange County Registrar of Voters to conduct an election within the Improvement District under the provisions of Proposition 39 and the Act and submit to the electors of the Improvement District the question of whether bonds of the District in the aggregate principal amount of \$97,000,000 (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. The District's Superintendent, or designee, is hereby authorized and directed to make any changes to the text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of election officials, and requirements of law.

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 Improvement District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A," incorporated by reference herein, and containing the question of whether the District shall issue the Bonds 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 science, technology, engineering, the arts and math;

(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 will cause the appointment of a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens' Oversight Committee shall initially consist of at least seven (7) members and at no time consist of less than seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies.

The Citizens' Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens' Oversight Committee shall include all of the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens' organization; One member who is active in taxpayers association. In furtherance of its specifically enumerated purposes, the Citizens' Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

- (i) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);
- (ii) Inspect District facilities and grounds to ensure that Proposition 39 bond revenues are expended in compliance with applicable law;
- (iii) Receive and review copies of all scheduled maintenance proposals or plans developed by the District;
- (iv) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs; and

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

(g) that the Board does not plan to build and maintain its bond-financed facilities under a Project Labor Agreement;

(h) that the Board will maintain a reserve of 2% - 3% of general funds for economic uncertainties;

(i) that the Board will budget 2-3% of its operating revenues for maintenance of facilities;

(j) that the Board will seek to set aside at least 2% of the value of the Bonds issued from the general fund for future construction and repairs.

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 Orange County Registrar of Voters and the Orange 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 Orange County Registrar of Voters no later than August 10, 2018.

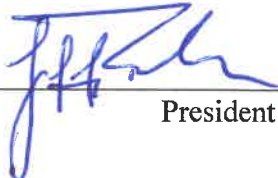
Section 8. That Bonds may be issued pursuant to Education Code Section 15264 *et seq.* or Government Code Section 53506 of the Government Code. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code 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 Orange 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 Orange 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 Orange County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.

ADOPTED, SIGNED AND APPROVED this 19th day of June, 2018.

BOARD OF EDUCATION OF THE LOS ALAMITOS UNIFIED SCHOOL DISTRICT

By  _____
President

Attest:  _____
Secretary

STATE OF CALIFORNIA)
)ss
ORANGE COUNTY)

I, Sherry Kropp, Ed.D., do hereby certify that the foregoing is a true and correct copy of Resolution No. 2017/2018-36 which was duly adopted by the Board of Education of the Los Alamitos Unified School District at the meeting thereof held on the 19th day of June, 2018, and that it was so adopted by the following vote:

AYES: BARKE, HILL, RUSSELL, CUTULI

NOES: Ø

ABSENT: BOYER

ABSTENTIONS: Ø

By 
Secretary

EXHIBIT A

“To renovate, construct, acquire classrooms, science labs, instructional technology/equipment for student achievement in math, science, arts, engineering/careers; repair/upgrade 50 year old high school classrooms/ school facilities, deteriorating roofs, plumbing, sewer/electrical systems; improve student safety, shall this Los Alamitos Unified School District measure authorizing \$97,000,000 in bonds at legal rates, levying approximately 3 cents/\$100 assessed value (\$6,200,000 annually) while bonds are outstanding be adopted, funds for local schools only, with taxpayer oversight, no administrator salaries?”

Bonds – Yes

Bonds – No

EXHIBIT B

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

The following is the full proposition presented to the voters by the Los Alamitos Unified School District.

“To renovate, construct, acquire classrooms, science labs, instructional technology/equipment for student achievement in math, science, arts, engineering/careers; repair/upgrade 50 year old high school classrooms/ school facilities, deteriorating roofs, plumbing, sewer/electrical systems; improve student safety, shall this Los Alamitos Unified School District measure authorizing \$97,000,000 in bonds at legal rates, levying approximately 3 cents/\$100 assessed value (\$6,200,000 annually) while bonds are outstanding be adopted, funds for local schools only, with taxpayer oversight, no administrator salaries?”

PROJECT LIST

The Board of Education of the Los Alamitos Unified School District is committed to improving the **quality of education** in local schools by providing safe, secure, upgraded classrooms, labs and career technical education facilities needed to **support high quality instruction in science, technology, engineering, arts and math**. To that end, the Board evaluated the District’s urgent and critical facility needs, including safety issues, class size reduction, computer and information technology, and prepared a Facilities Master Plan, dated October 10, 2017 which is incorporated herein in its entirety, in developing the scope of projects to be funded. The District conducted a facilities evaluation and received public input in developing this Project List. 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 protecting the **quality of our schools**, the quality of life in our community, and the value of our homes is a **wise investment**.

Therefore, in approving this Project List, the **Board of Education determines that the District must:**

- (i) **Repair or replace deteriorating roofs, plumbing, sewer and electrical systems, where needed; and**
- (ii) **Upgrade classrooms, science labs, and career technical education facilities to prepare students for college and good paying jobs in fields like health sciences, engineering and skilled trades; and**
- (iii) **Repair and upgrade aging high school classrooms and school facilities to support high quality instruction in science, technology, engineering, arts and math; and**
- (iv) Adhere to specific fiscal accountability safeguards such as:
 - (a) **All expenditures must be subject to annual independent financial audits.**
 - (b) **No funds can be used for administrators’ salaries and pensions.**
 - (c) **All money must stay local to support our students and cannot be taken away by the State or used for other purposes.**

- (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 District schools and sites:

IMPROVE THE QUALITY OF EDUCATION: Basic School Repair and Upgrade Projects

Goal and Purpose: Los Alamitos High School was built in the 1960's and still has classrooms with one or two electrical outlets, which is not enough to support the educational technology to prepare students for success. This measure will help ensure that our schools stay competitive with other top performing districts.

- Upgrade and repair aging high school classrooms and school facilities.
- **Repair or replace deteriorating roofs, plumbing, sewer and electrical systems where needed.**
- Install heating and air conditioning systems, where needed, to improve air quality and keep classrooms from getting too hot or too cold.
- Improve access to school facilities for students with disabilities.

PREPARE STUDENTS FOR COLLEGE AND CAREERS: College and Career Technical Education Facilities Upgrade Projects

Goal and Purpose: If we want our students to succeed in college and careers, they must be skilled in the use of today's technologies and have a solid background in science, technology, engineering and math.

This measure will upgrade classrooms, science labs and career technical education facilities so students are prepared for college and good paying jobs in fields like health sciences, engineering and the skilled trades.

- **Provides the facilities and technology to support high quality instruction in core subjects like science, technology, engineering, music, the arts and math.**
- Construct additional classrooms, science labs, computer labs and school facilities to reduce overcrowding and meet growing demand for science and technology courses.
- **Upgrade classrooms, science labs and career technical education facilities so students are prepared for college and good paying jobs careers in health sciences, engineering, and skilled trades.**

IMPROVE SCHOOL SAFETY: Safety and Security Projects

Goal and Purpose: Whether or not you 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. This measure will upgrade security cameras, security fencing, emergency communications systems, smoke detectors, fire alarms and sprinklers, for improved student safety.

- Replace aging, outdated portable classrooms that are expensive to repair and maintain with safe, modern classrooms that meet today's academic standards.
- Upgrade fire alarm systems to automatic systems, add smoke detectors and sprinklers to make students safe in the event of an emergency.
- **Improve student safety and campus security systems, including security, fencing, and security cameras.**
- Upgrade emergency communication systems to improve student safety.

* * *

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; 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; construct, install, repair and/or replace heating and ventilation systems, site paving, utilities, campus accessibility, water heaters, mechanical units, boilers, walkways, walkway covers, power outlets, bell/clock systems; upgrade facilities and utility systems for energy efficiencies, including solar panels; install signage, electronic marquees, shade structures and fencing; repair, replace worn-out and deteriorated roofs, windows, walls, doors, drinking fountains and hydration stations; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade or construct parking facilities, support facilities, including administrative, physical education (including upgrading or adding swimming pool, gyms, gym floors, and locker rooms), multipurpose rooms, and performing arts buildings; repair and replace fire alarms, emergency communications and security systems; resurface, replace or upgrade fields, hard courts, turf (including synthetic turf), field house; upgrade drainage, irrigation and erosion control systems and campus landscaping; expand parking and pick-up/drop-off areas; upgrade interior and exterior painting, walls, ceilings and floor coverings; demolition; upgrade kitchens/school cafeterias and lunch shelters; construct, remodel and/or expand various forms of storage, cabinetry, and support spaces, libraries, administrative offices and classrooms; repair, upgrade and install interior and exterior lighting systems; install or improve playgrounds, athletic fields, tracks, and play apparatus; replace outdated security fences and security systems (including access control systems), provide indoor space for assemblies or for rainy day lunch; construct/upgrade music labs, auditoriums, and

learning spaces. The upgrading of District-wide technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, cameras, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wire classrooms for internet connectivity, wireless technology systems, refresh classroom technology and other miscellaneous equipment. 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 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.