

RESOLUTION NO. 03-08-06

RESOLUTION OF THE BOARD OF EDUCATION OF THE NEWPORT-MESA UNIFIED SCHOOL DISTRICT ORDERING SCHOOL BOND ELECTION, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, an election was duly called and regularly held in the Newport-Mesa Unified School District (the "District"), County of Orange, California (the "County"), on June 6, 2000, at which the following proposition was submitted to the electors of the District ("Measure A"):

"To improve health and safety conditions in neighborhood schools by rehabilitating aging school facilities, replacing deteriorated roofs and plumbing, upgrading electrical service to safely accommodate technology, renovating inadequate classrooms, science labs, and restrooms, and upgrading fire alarms by funding only the specific projects included in Newport-Mesa Unified School District's facilities master plan, shall Newport-Mesa Unified School District issue \$110,000,000 in bonds at interest rates within legal limits, authorize annual audits, establish an ongoing repair fund, and an independent Citizens' Oversight Committee?"

WHEREAS, at least two-thirds of the votes cast on Measure A were in favor of issuing the bonds; and

WHEREAS, the Measure A funds gave the District access to an additional \$65 million in State of California (the "State") matching funds; and

WHEREAS, all Measure A funds have been allocated to approved projects, and the projects which have been completed as of Spring 2005 have been completed on time and on budget as evaluated by the independent Measure A Citizens' Oversight Committee; and

WHEREAS, the Measure A Citizens' Oversight Committee has also verified that the District is meeting the commitment to the community to budget for and properly maintain school facilities as pledged when Measure A was passed; and

WHEREAS, the Measure A and the State matching funds were not intended to finance all of the current or future facility needs of the District and there is further need to improve, rehabilitate, repair, and renovate educational facilities within in the District; and

WHEREAS, there is also a need for the construction of new classrooms within the District due to enrollment growth, overcrowded conditions and class-size reduction; and

WHEREAS, the District may qualify to receive State of California matching grant funds to construct new classrooms within the District; and

WHEREAS, the Board of Education (the "Board") of the District is authorized to order elections within the District and to designate the specifications thereof, pursuant to Sections 5304 and 5322 of the California Education Code (the "Education Code"); and

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to Education Code Sections 15100 *et seq.*; and

WHEREAS, pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution, and Section 15266 of the Education Code, school districts may seek approval of general obligation bonds and levy an *ad valorem* tax to repay those bonds upon a 55% vote of those voting on a proposition for the purpose, provided certain accountability measures are included in the proposition; and

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors to be approved by 55% of the votes cast; and

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election, or special election, or at a regularly scheduled local election, as required by Section 15266 of the Education Code; and

WHEREAS, on November 8, 2005, a statewide special election is scheduled to occur; and

WHEREAS, the Board has determined that, based upon a projection of assessed property valuation, 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 maximum tax rate permitted by Section 15270 of the Education Code; and

WHEREAS, Section 9400 *et seq.* of the California Elections Code (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, the Board now 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, if a project to be funded by the bonds will require State of California matching funds for any phase, the sample ballot must contain a statement, in form prescribed by law, advising the voters of that fact, and the Board finds that completion of all or a portion of certain of the projects listed in Exhibit A of this Resolution will require State matching funds not yet received by the District;

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Education of the Newport-Mesa Unified School District as follows:

Section 1. **Recitals.** All of the above recitals are true and correct.

Section 2. Specifications of Election Order. Pursuant to Education Code Sections 5304, 5322, 15100 *et seq.*, and 15266, a special election shall be held within the boundaries of the District on November 8, 2005, for the purpose of submitting to the registered voters of the District the following proposition:

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
SCHOOL REPAIR AND CONSTRUCTION BOND OF 2005**

This proposition may be known and referred to as the "Newport-Mesa Unified School District School Repair and Construction Bond of 2005" or as "Measure ____". *[designation to be assigned by County Registrar of Voters]*

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Newport-Mesa Unified School District (the "District") shall be authorized to issue and sell bonds of up to two hundred eighty-two million dollars (\$282,000,000) in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A (the "Bond Project List"), and qualify to receive State of California matching grant funds, subject to all of the accountability safeguards specified below; provided that the District will only issue new bonds authorized by this proposition if estimated tax rates for all outstanding District Measure A bonds and bonds authorized pursuant to this proposition will not exceed the tax rate levied for outstanding Measure A bonds for Fiscal Year 2005-06 when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

ACCOUNTABILITY SAFEGUARDS

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

Evaluation of Needs. The Board of Education of the District (the "Board") has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District at each campus and facility, and to determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Limitations on Use of Bonds. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction,

reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, including, to the extent permitted by law, the acquisition or lease of real property in connection with an existing financing of the specific school facilities projects listed in the Bond Project List, including the prepayment of an existing lease or certificates of participation financing, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Independent Citizens' Oversight Committee. The Board shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board. In accordance with Section 15282 of the Education Code, the citizens' oversight committee shall consist of at least seven members and shall include a member active in a business organization representing the business community located within the District, a member active in a senior citizens' organization, a member active in a bona fide taxpayers' organization, a member that is a parent or guardian of a child enrolled in the District, and a member that is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

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

Annual Financial Audits. The 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 in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board no later than January 1 of each year, commencing January 1, 2007, stating (a) the amount of bond proceeds received and expended in that year, and (b) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent of the District shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

The Bond Project List, which is an integral part of this proposition, lists the specific projects the District proposes to finance with proceeds of the bonds. Listed construction projects, repairs, rehabilitation projects and upgrades will be completed as needed at a particular school or facility site according to Board-established priorities. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, inspection, and similar planning and testing costs, project and construction management, demolition and interim housing costs, and a contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State of California grant funds for eligible projects, have not yet been secured. Therefore, the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Alternatively, if unexpected funds materialize from non-bond sources with respect to listed projects, such projects may be enhanced, supplemented or expanded to the extent of such funds.

Some projects may be subject to further government approvals, including by State officials and boards and local environmental approval. Inclusion of a project on the bond project list is not a guarantee that the project will be completed.

FURTHER SPECIFICATIONS

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to California Government Code Section 53410.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest shall be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature more than 40 years from the date borne by that bond.

Section 3. Abbreviation of Proposition. Pursuant to Section 13247 of the Elections Code and Section 15122 of the Education Code, the Board hereby directs the Registrar of Voters of the County (the "Registrar of Voters") to use the following abbreviation of the bond proposition on the ballot:

"To increase access to educational opportunities for all students, provide facilities to meet current state educational requirements and improve student safety by completing specific projects throughout the school district, shall Newport-Mesa Unified School District issue \$282 million in bonds, at legal interest rates, with new bonds being issued only if projected annual tax rates do not exceed those being paid today by local taxpayers, guaranteed independent annual audits, a Citizens' Oversight Committee and no funds for administrator salaries?"

Section 4. Accountability Safeguards. Pursuant to Section 15272 of the Education Code, the Board hereby directs the Registrar of Voters to include the following statement in the ballot:

"If Measure __ is approved, the Board of Education of the Newport-Mesa Unified School District will appoint a citizens' oversight committee and conduct annual independent audits to assure that bond funds are spent only on the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and for no other purposes."

Section 5. Voter Pamphlet. The Registrar of Voters is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

"The above statement is an impartial analysis of Measure __. If you desire a copy of the measure, please call the Orange County Registrar of Voters at (____) ____-____ or the Newport-Mesa Unified School District at (714) 424-8903 and a copy will be mailed at no cost to you. Measure __ is also available on the Internet at <http://www.nmusd.k12.ca.us>."

Section 6. State Matching Funds. The District hereby requests that the Registrar of Voters include the following statement in the ballot pamphlet, pursuant to Section 15122.5 of the Education Code:

“Approval of Measure __ does not guarantee that the proposed project or projects in the Newport-Mesa Unified School District that are the subject of bonds under Measure __ will be funded beyond the local revenues generated by Measure __. The District’s proposal for the project or projects assumes the receipt of matching State funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.”

Section 7. Required Vote. Pursuant to Section 18 of Article XVI and Section 1 of Article XIII A of the California Constitution, the above proposition shall become effective upon the affirmative vote of at least 55% of those voters voting on the proposition.

Section 8. Request to County Officers to Conduct Election. The Registrar of Voters is hereby requested, pursuant to Section 5322 of the Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

Section 9. Consolidation Requirement; Canvass. (a) Pursuant to Section 15266(a) of the Education Code, the election shall be consolidated with the statewide special election on November 8, 2005, and pursuant to Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the Registrar of Voters and the Board of Supervisors of the County are hereby requested to order consolidation of the election with such other elections as may be held on the same day in the same territory or in territory that is in part the same.

(b) The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, pursuant to Section 10411 of the Elections Code.

Section 10. Delivery of Order of Election to County Officers. The Clerk of the Board of the District is hereby directed to deliver, no later than August 12, 2005 (which date is not fewer than 88 days prior to the date set for the election), one copy of this Resolution to the Registrar of Voters together with the Tax Rate Statement (attached hereto as Exhibit B), completed and signed by the Superintendent of the District, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County.

Section 11. Ballot Arguments. The President of the Board, or any member or members of this Board as the President shall designate, are hereby authorized, but not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the proposition contained in Section 2 hereof, within the time established by the Registrar of Voters.

Section 12. Further Authorization. The members of the Board, the Superintendent of the District, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 13. **Effective Date.** This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, August 10, 2005, by the following vote:

AYES: 7

NOES: 0

ABSTAIN: 0

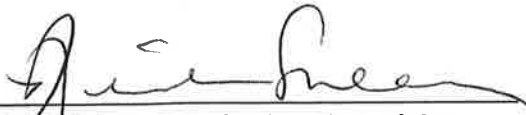
ABSENT: 0

APPROVED:



President of the Board of Education of the
Newport-Mesa Unified School District

Attest:



Clerk of the Board of Education of the
Newport-Mesa Unified School District

CLERK'S CERTIFICATE

I, Linda Sneen, Clerk of the Board of Education of the Newport-Mesa Unified School District, of the County of Orange, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Education of the District duly and held at the regular meeting place thereof on August 10, 2005, and entered in the minutes thereof, of which meeting all of the members of the Board of Education had due notice and at which a quorum thereof was present. The resolution was adopted by the following vote:

AYES: 7

NOES: 0

ABSTAIN: 0

ABSENT: 0

An agenda of the meeting was posted at least 72 hours beforehand at 2985-A Bear Street, Costa Mesa, California, a location freely accessible to members of the public, and a brief description of the adopted resolution appeared on the agenda. A copy of the agenda is attached hereto. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 10th day of August, 2005.



Clerk of the Board of Education
Newport-Mesa Unified School District

EXHIBIT A

NEWPORT-MESA UNIFIED SCHOOL DISTRICT BOND PROJECT LIST

The following projects are the priorities that have been identified by the Board of Education of the Newport-Mesa Unified School District, and are proposed to be financed:

NEWPORT-MESA UNIFIED SCHOOL DISTRICT SCHOOL REPAIR AND CONSTRUCTION BOND OF 2005 BOND PROJECT LIST	
The following projects are proposed to be financed at the following schools and sites or within the following zones. (Zones are based on attendance areas existing as of August 10, 2005.) Projects are not listed in priority order and may be enhanced, supplemented or expanded to the extent unexpected funds are available for such projects from non-bond sources.	
Improvement Projects for Schools District-Wide	
• Acquire and install, construct new, or renovate and improve existing, relocatable or permanent classrooms to provide dedicated science classrooms at elementary schools, and equip and furnish such facilities as needed. • Equip and furnish middle and high school science facilities as needed. • Renovate, equip and furnish outdated elementary school multipurpose rooms, and improve such facilities for technology. • Renovate/upgrade school facilities as needed to install or accommodate new technology. • Upgrade classroom/school lighting and lighting systems where needed. • Install, replace or improve lighting where needed to improve campus security. • Upgrade wiring to support modern classroom technology as needed. • Renovate and upgrade utility systems as needed. • Remove hazardous materials as needed. • Improve road ingress/egress and parking facilities as needed for safety and congestion relief, and improve access to facilities for students with disabilities as needed.	• Construct or reconstruct restroom facilities as needed. • Renovate and equip playfields as needed for student safety. • Repair/renovate and equip aging paved surfaces and play areas and courts, and other hard surface areas as needed. • Repair/replace cracked side-walks as needed for safety. • Replace and/or install fencing as needed for safety. • Install control gates and/or electronic monitoring or other security devices as needed for safety. • Replace ball walls and other support structures which do not meet the Division of State Architect standards as needed. • Improve drainage where needed to prevent school flooding. • Repair/relocate trash enclosures as needed for safe path of travel. • Install shade structures as needed. • Construct, equip and furnish an approximate 7,000 to 10,000 square foot technology and teacher-training center to serve the entire District.

Improvement Projects for Schools in the Corona del Mar Zone

- Renovate, equip and furnish high school library, and modernize/improve it for technology.
- Acquire and install, construct new, or renovate and improve existing, relocatable or permanent classrooms as needed to accommodate K through 8th grade student attendance at one or more elementary schools currently serving all or a portion of K through 6th grade students, and equip and furnish such facilities.
- Make necessary improvements to high school campus to create separate 7th through 8th grade and 9th through 12th grade complexes on such campus, and equip and furnish such facilities as needed.
- Construct, equip and furnish facilities/classrooms for performing arts instruction with an approximate 250 to 500 seat performance capacity.

Improvement Projects for Schools in the Costa Mesa Zone

- Acquire and install, construct new, or renovate and improve existing, relocatable or permanent classrooms as needed to accommodate K through 8th grade student attendance at one or more elementary schools currently serving all or a portion of K through 6th grade students, and equip and furnish such facilities.
- Make necessary improvements to high school campus to create separate 7th through 8th grade and 9th through 12th grade complexes on such campus, and equip and furnish such facilities as needed.
- Construct, equip and furnish a new library and technology center to serve Costa Mesa schools.
- Renovate, construct and expand, and equip and furnish, facilities/classrooms for performing arts instruction with an approximate 250 to 500 seat performance capacity.
- Construct, equip and furnish a swimming pool complex and related facilities which meet competitive swimming standards to serve Costa Mesa and Estancia schools.

Improvement Projects for Schools in the Estancia Zone

- Renovate, equip and furnish high school library, and modernize/improve it for technology.
- Construct, equip and furnish facilities/classrooms for performing arts instruction with an approximate 500 to 800 seat performance capacity.
- Construct a middle school gymnasium, and equip and furnish such facility.
- Construct a sports field and related structures and facilities with an approximate 2,400 to 2,600 spectator capacity to serve Costa Mesa schools, and equip and furnish such structures and facilities.

Improvement Projects for Schools in the Newport Harbor Zone

- Demolish vacated, seismically damaged high school science and administration and support facilities and construct, equip and furnish new science and administration and support facilities.
- Demolish vacated, seismically damaged facilities/classrooms for performing arts instruction and construct new facilities/classrooms for performing arts instruction with an approximate 500 to 800 seat performance capacity and equip and furnish such facility.
- Demolish vacated, seismically damaged high school library and construct, equip and furnish a new library.
- Demolish old high school gymnasium and construct, equip and furnish a new gymnasium.
- Renovate Davidson Field and related structures and facilities, and equip and furnish such structures and facilities.

EXHIBIT B

TAX RATE STATEMENT

NEWPORT-MESA UNIFIED SCHOOL DISTRICT

An election will be held in the Newport-Mesa Unified School District (the "District") in Orange County on November 8, 2005, to authorize the sale of up to \$282,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in several series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.00474 per \$100 (\$4.74 per \$100,000) of assessed valuation in fiscal year 2006-07.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.01177 per \$100 (\$11.77 per \$100,000) of assessed valuation in fiscal year 2019-2020.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$0.02160 per \$100 (\$21.60 per \$100,000) of assessed valuation in fiscal year 2030-31.

Based on the tax rates estimated above, the average annual tax over the life of the bonds would be \$15.18 per \$100,000 of assessed valuation. The combined annual tax for these bonds and the District's Measure A bonds approved by voters on June 6, 2000, is expected to be no higher than the tax rate to be levied in 2005-06 for the repayment of the Measure A bonds.

Voters should note that these estimated tax rates are based on the *assessed value* of taxable property in the District as shown on the official tax roll of the county, *not* on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone the payment of taxes. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The estimates are based upon the District's projections and are not binding upon the District. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on the need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Dated: August 10, 2005


Robert J. Barbot, Ed.D.
Superintendent
Newport-Mesa Unified School District

Argument in Favor of Measure F^{uture}

Thanks to the support of our communities, bond funds have made it possible to address the most urgent repair and renovation needs of our schools.

Our students are benefiting from improved health and safety conditions and learning environments. Each school has renovated aging classrooms, upgraded and replaced old heating, electrical and plumbing systems, and replaced deteriorating roofs.

During the last five years, local school facilities have improved. Bond funds have been managed judiciously. As a result, the first phase of projects to rebuild our neighborhood schools will be completed on time and on budget.

More improvements are needed to complete the work of providing our students with the quality educational facilities they need today and for the future.

Measure F will provide the funds to complete this job.

Measure F will not raise property tax rates.

Measure F will:

- Improve/expand school libraries and increase access to technology
- Replace seismically unsafe buildings and complete upgrading of school site safety conditions;
- Provide laboratory classrooms for hands-on science instruction in grades Kindergarten-6;
- Reconfigure campuses to separate middle and high school students; and
- Construct and reconstruct classrooms and other facilities to meet increasing educational standards.

By extending current tax rates being paid for previously approved school bonds, \$282 million will be authorized for local school improvements **without raising existing annual property tax rates.**

An Independent Citizens' Oversight Committee will continue to monitor construction projects to guarantee that funds are well spent, benefiting all schools and students of the District, with no tax rate increase for local residents. Measure F funds cannot be used for teacher or administrator salaries.

Join us in voting Yes on Measure F. It's a sound investment in our local schools and students and will help to maintain strong property values and the quality of our communities.

Marian Bergeson, Parent/Grandparent/Former California Secretary of Education
Henry S. "Hank" Panian, Retired Teacher
Mary Hornbuckle, Former Mayor of Costa Mesa
Scott Paulsen, President Newport-Mesa Schools Foundation/Retired Principal
Michele Graham, Parent/President Harbor Council PTA