

CITIZENS OVERSIGHT COMMITTEE REPORT

MEASURE G GENERAL OBLIGATION BOND OF 2008

For the Gateway Unified School District



FISCAL YEAR ENDING JUNE 30, 2012

Citizens Oversight Committee Report

Background on Measure G - What the Voters Approved

In November 2008, the Gateway Unified School District (GUSD) voters passed a \$19 million general obligation bond (Measure G) with 57.7% of voters approving the measure.

The purpose of the bond proceeds was to "improve the quality of education, renovate and construct classrooms and school facilities including libraries and cafeterias; upgrade outdated heating, ventilation and air condition systems; make health and safety improvements; improve student access to computers and modern technology; and improve handicapped accessibility.

Because Measure G was approved through an election process under Proposition 39, the District is obligated to establish a Citizens' Oversight Committee (COC). The committee must be comprised of voters who represent parents, parent-teacher organizations, the business community, senior citizens, taxpayers associations, and the community at large. This committee reviews expenditure reports to ensure that: a) bond proceeds are expended only for the purpose set forth in the ballot measure, and b) no bond proceeds are used for any teacher, administrator salaries or any other operating expenses.

Attached to this report (Exhibit A) is the full text of Measure G which was approved by the voters on November 4, 2008. From the voters' authorization of Measure G, the school district has developed a comprehensive plan to address the need identified in their facility needs assessment. Although there is no way they could do all the projects possible with the funds available, the District, with oversight from the Citizens' Oversight Committee, must ensure that the Bond funds are only for these purposes.

District Progress and Oversight Committee Activities

The report of the Citizens' Oversight Committee (COC) represents the Measure G bond activity for the 2011/12 fiscal year. The report is designed to correlate with the timelines of the voters' approved Measure G, granting GUSD 19 million of bond expenditure authority. A summary of key District and COC activities related to the fiscal year ending June 30, 2012 is as follows.

Measure G Values

Voter approval bond amount \$19,000,000.00

Actual Amount Sold:

2009 Current Interest Bonds \$ 3,595,000.00

2009 Capital Appreciation Bonds \$ 2,725,717.55

TOTAL BOND VALUE \$ 6,320,717.55

Debt Service Schedule

Term 2010 through 2034 (24 Years)

Total Debt Service \$14,899,820

Citizen's (Bond) Oversight Committee Meeting Schedule and Summary

<u>Meeting Date</u>	<u>Summary</u>
July 20, 2010	Reviewed and approved expenditures and reviewed progress to date on Buckeye School of the Arts project.
August 17, 2010	Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. Reviewed progress of project and budget overview.
September 21, 2010	Reviewed expenditures and change orders for Buckeye School of the Arts project. There wasn't a quorum so no voting took place. Budget Overview and Update, and Project Progress reports were shared.
October 19, 2010	Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. All agenda items from September 21 st meeting were included on this agenda. Gordon Lemke, Buckeye School of the Arts Project Inspector, explained the change order process to the Committee. Budget Overview and Update, and Project Progress reports were shared.
November 16, 2010	Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. The approval process was reviewed by Supt. Robert Hubbell. Ann Albertson resigned from the Committee so there are now two vacant seats on the Committee. Election of Bond Committee Chair and Vice-Chair took place: Tami Whetstine, Chair and Michael Daniels, Vice-Chair. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared.
February 2, 2011	Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. 2009/10 General Obligation Bonds Performance Audit by Matson and Isom, CPA was discussed and approved by Committee. Construction progress on Buckeye School of the Arts and

Central Valley High School was shared, as well as budget reports. Central Valley High School project is expected to start before summer begins.

- April 13, 2011 Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. The Committee took a tour of the new Multi-purpose room and the renovated kitchen at Buckeye School of the Arts.
- June 23, 2011 Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared. Next meeting will be held August 10, 2011.
- February 21, 2012 Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared. The Measure G General Obligation Bond Compliance and Performance Audit for 2010/11 was reviewed by the Committee. There are still two vacant spots on the Committee. The next meeting will be held April 17, 2012.
- April 12, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project. Budget Overview and Update, and Project Progress reports were shared. There are still two vacant spots on the Committee. The next meeting will be held June 13, 2012.
- June 13, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project and Buckeye School of the Arts. Budget Overview and Update, and Project Progress reports were shared. The Annual Citizen Oversight Committee Report for Fiscal Year ending June 30, 2011 was reviewed and approved. The Committee took a tour of the newly remodeled Talon Hall. The next meeting will be held on August 16, 2012.

Independent Auditors Audit Report

The independent audit was completed by Matson and Isom. The objective was to document the expenditures charged to the voter approved Proposition 39 and Measure G General Obligation Bonds (the Bonds); and determine whether expenditures for the fiscal year ending June 30, 2012, charged to the building fund, have been made in accordance with project budgets and guidelines and to note any incongruities or system weaknesses and provide recommendations for improvements.

The scope of the performance audit covered the fiscal year which ended June 30, 2012. The expenditures included all object and project codes associated with the Bond's projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2012, were not reviewed or included within the scope of the audit.

Based on the procedures performed, the audit found that the district has properly accounted for the expenditures of the Proposition 39 and Measure G General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures.

Project Status and Expenditures

<u>Project Description</u>	<u>Status</u>	<u>Expenditures Through June 30, 2012</u>
Multi-Purpose Building Buckeye School of the Arts	99% Complete	\$2,713,340.00
Talon Hall/Cafeteria entral Valley High School	83% Complete	\$1,934,305.00
2006 Certificates of Participation Redemption	Completed	\$1,020,325.00
Bond Issuance Costs	Completed	\$ 403,074.00

Measure G Bond Citizens Oversight Committee

Richard Artusy	Seniors Organization	Lakehead, CA
Michael Daniels	Resident & Retired Business	Redding, CA
Eldon McGarity	Tax Payers Association	Redding, CA
Joe Meyers	Resident & Retired Business	Lakehead, CA
Kim Weatherbee	Parent Club President	Shasta Lake, CA
Tammi Whetstine	Parent	Shasta Lake, CA
Ron DeMaagd	BSA and CVHS Parent	Redding, CA
Mike Stuart	District Interim Superintendent	Redding, CA

The Citizen's Oversight Committee, based on the review of the annual financial and performance audit reports and information received at the Bond Oversight committee meetings, certifies that the bond proceeds for the fiscal year ended June 30, 2012 were expended only for the purposes set forth in the ballot measure and that no bond proceeds were expended for any teacher or administrator salaries or other operating expenditures.

Respectfully submitted:



Tammi Whetstine, Chairperson
Gateway Unified School District
Citizen's Oversight Committee

6/25/2013
Date

RESOLUTION NO. 08-09-04

RESOLUTION OF THE GATEWAY UNIFIED SCHOOL DISTRICT ORDERING A SCHOOL BOND ELECTION, ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND REQUESTING CONSOLIDATION WITH THE ELECTION ON NOVEMBER 4, 2008

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

WHEREAS, the Board is specifically authorized to order elections, pursuant to Education Code sections 15264 *et seq.*, for the purpose of submitting to the electors the question of whether bonds of the District ("Bonds") shall be issued and sold for specified purposes;

WHEREAS, the Board deems it necessary and advisable to submit a bond measure to the electors that, if approved by the requisite number of electors voting on the measure, would permit the District to issue Bonds;

WHEREAS, as required by Education Code section 15266, the date selected for the bond election is the date of a primary election;

WHEREAS, it is desirable that the election to determine whether the Bonds shall be issued and sold be consolidated with such other election or elections as may be held on the same day in the same territory or in territory that is in part the same; and

WHEREAS, it is the Board's intent to have the Bonds structured to maintain the original tax rate that was approved by the voters on March 2, 2002.

NOW, THEREFORE, the Board of Trustees of the Gateway Unified School District does hereby resolve, determine, and order as follows:

Section 1. Election Order; Ballot Measure. Pursuant to Education Code Sections 5304, 5322 and 15264 *et seq.* and Article XVI, Section 18(b), of the California Constitution, an election shall be held within the boundaries of the Gateway Unified School District on November 4, 2008, submitting to the voters of the District the question of whether Bonds of the District, in the amount of \$19,000,000 shall be issued and sold for the purposes described in this Resolution and its accompanying exhibits. The Bonds proposed to be issued and sold shall bear interest at a rate not exceeding the statutory limit per annum, and the number of years any series of the Bonds are to run shall not exceed twenty-five (25) years from the date of the Bonds or the date of any series thereof in the event the Bonds are issued pursuant to the Education Code, and shall not exceed forty (40) years from the date of the Bonds or the date of any series thereof in the event the Bonds are issued pursuant to the Government Code.

Section 2. Specifications of the Election Order. The foregoing specifications of the election order are made pursuant to Education Code Section 5322.

Section 3. Services of Registrar of Voters. Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Board of Supervisors of Shasta County ("Board of Supervisors") 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 the County, such services to include the publication of a Formal Notice of School Bond Election (as described herein) 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.

Section 4. Consolidation with Other Elections. Pursuant to Education Code Section 5342, 15266, and 15121 and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the Board of Supervisors is requested to order consolidation of the school bond election with such other election or elections as may be held on the same day in the same territory or in a territory that is in part the same.

Section 5. County Registrar of Voters to Call and Conduct Election. Pursuant to Section 5303 of the Education Code, the Registrar of Voters of the County of Shasta ("Registrar of Voters") is hereby requested to take all steps to prepare for and hold the election within the boundaries of the District in accordance with law and these specifications.

Section 6. Abbreviated Bond Measure and Full Text of the Measure. The abbreviated bond measure is set forth in Exhibit B and the full text of the bond measure is set forth in Exhibit C. The Registrar of Voters is hereby requested to:

(a) print the abbreviated bond measure as shown in Exhibit B on the ballot and designate the statement on the ballot by a letter printed on the left margin of the square containing the description of the measure as provided in Section 13116 of the Elections Code of the State of California; and

(b) publish the following full text of the measure as shown in Exhibit C in the ballot pamphlet materials as appropriate.

Section 7. Tax Rate Statement. The Board hereby approves the form of the tax rate statement attached hereto as Exhibit D and incorporated herein by reference and authorizes the District's Superintendent, in consultation with the District's financial advisor, to complete it in accordance with the requirements of Elections Code Section 9401.

Section 8. Formal Notice of Election. The District's Superintendent is hereby directed to prepare and execute a Formal Notice of School Bond Election for delivery to the Registrar of Voters containing the information specified in Education Code Sections 5361 and 15120 (as modified under the authority of Government Code Section 53506.5), in substantially the form attached hereto as Exhibit A with such changes as may be required by the Office of the Shasta County Counsel or the District's bond counsel. The Registrar of Voters is hereby requested to publish the Formal Notice of Election.

Section 9. Delivery of Specifications of the Election Order, Tax Rate Statement, and Formal Notice of Election. The District's Superintendent is hereby directed to deliver, not less than 88 days prior to the date set for the election, or August 8, 2008, one copy of this Resolution, the tax rate statement, and Formal Notice of School Bond Election to the Registrar of Voters (in accordance with the requirements of Education Code Section 5322 and Elections Code Section 9401, respectively), and one copy of each to the Board of Supervisors (in accordance with the requirements of Elections Code Section 10403).

Section 10. General Authorization with Respect to the Bond Election. The members of the Board, the Superintendent, and the other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, to prepare and submit for inclusion in the voter information pamphlet a tax rate statement and an argument in favor of passage of the ballot measure. All actions heretofore taken by the officers and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respect.

Section 11. Canvass of Returns. The Board of Supervisors is authorized to canvass the returns of the election pursuant to Elections Code Section 10411.

Section 12. Vote Required. Pursuant to Section 15124 of the Education Code and Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State of California, as amended by Proposition 39, the above bond measure shall become effective only upon the affirmative vote of fifty-five percent or more of those voters voting on the measure.

Section 13. Use of Bond Proceeds, Facilities Specifications, and Audit Requirements. Pursuant to Section 1 of Article XIII A of the California Constitution, the following accountability requirements are hereby included in the bond measure:

(i) **Use of Bond Proceeds.** Proceeds from the sale of the Bonds may be used only for the purposes specified in Article XIII A, section 1(b)(3) of the California Constitution.

(ii) **Specification of Facilities.** The specific school facilities projects to be funded are as described in Exhibit C. The Board hereby certifies that it evaluated safety, class size reduction, and information technology needs in developing the list.

(iii) **Performance Audit.** The Board shall conduct an annual, independent performance audit to ensure that the Bond funds have been expended only on the specific projects listed.



(iv) Financial Audit. The Board shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of the proceeds have been expended for the school facilities projects.

Section 14. Government Code Accountability Requirements. Pursuant to Government Code Sections 53410 and 53411, the District hereby finds or directs that:

(a) the purpose of the Bonds is to fund the specific facility needs as set forth in the full text of the measure;

(b) the Bond proceeds shall only be used on the specific projects authorized in the full text of the measure;

(c) all proceeds of the Bonds shall be placed in a separate account; and

(d) the Chief Business Official of the District shall issue an annual report to the Board containing the amount of funds collected and expended as well as the status of the projects authorized in the full text of the measure.

Section 15. Citizen's Oversight Committee. It is the intent of the Board that a citizen's oversight committee be appointed to ensure that the proceeds of the Bonds are spent only for the specific purposes and projects identified in this Resolution. The membership requirements and procedures for such committee shall be established by the Board in accordance with the requirements of law.

Section 16. Encumbrance of Bond Funds. Pursuant to the policy adopted by the State Allocation Board regarding the disposition of local bond funds under Education Code Section 17032, and for the purpose of making such funds unavailable as rent within the meaning of such section, the Board hereby encumbers all funds to be generated by the sale of the Bonds in order to pay for the acquisition and construction of the school facilities authorized by the bond measure.

Section 17. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the following vote of the members of the Board of the Gateway Unified School District of Shasta County, State of California, this 29th day of July 2008.

AYES: 7

NOES: 0

ABSENT: 0

ABSTAIN: 0

/s/ Kenneth G. Matias, President,
Board of Trustees

EXHIBIT A

FORMAL NOTICE OF SCHOOL BOND ELECTION

1. NOTICE IS HEREBY GIVEN to the qualified voters of the Gateway Unified School District of Shasta County, California (the "District"), that in accordance with the provisions of the Education Code of the State of California, a school bond election will be held on Tuesday, November 4, 2008.

2. At the election, the following measure will be submitted to the qualified voters of the District and voted upon:

MEASURE: G: "To improve the quality of education, renovate and construct classrooms and school facilities including libraries and cafeterias; upgrade outdated heating, ventilation, and air conditioning systems; make health and safety improvements; improve student access to computers and modern technology; and improve handicapped accessibility; shall the Gateway Unified School District issue \$19,000,000 of bonds at the lowest possible interest rates, with no money for teacher or administrative salaries, with spending annually reviewed by an independent citizens' oversight committee?"

The measure shall be designated on the ballot by a letter printed on the left margin of the square containing the description of the measure as provided in Section 13116 of the Elections Code of the State of California.

3. The District shall publish the full text of the measure (as shown in Exhibit C attached hereto) in the ballot pamphlet materials as appropriate.

4. All of the purposes enumerated in the foregoing measure shall be united and voted upon as one single measure. The bonds proposed to be issued and sold shall bear interest at a rate not exceeding the statutory limit per annum, and the number of years any series of the bonds are to run shall not exceed twenty-five (25) years from the date of the bonds or the date of any series thereof in the event the bonds are issued pursuant to the Education Code, and shall not exceed forty (40) years from the date of the bonds or the date of any series thereof in the event the bonds are issued pursuant to the Government Code.

5. Proceeds from the sale of the District's bonds shall be used only for the purposes specified in Article XIII A, section 1(b)(3) of the California Constitution. The District's Board of Trustees shall conduct an annual, independent performance audit to ensure that bond funds are expended only on specifically authorized projects listed herein. The District's Board of Trustees shall also conduct an annual, independent financial audit of the proceeds from the sale of the bonds until the proceeds have been expended for the listed school projects. The specific school projects to be funded consist of remodeling and upgrading existing facilities at the District school sites described herein. In developing the list, the District's Board of Trustees certified that it evaluated safety, class size reduction and information technology needs.

6. The District's Board of Trustees shall establish a citizen's oversight committee to ensure that the proceeds of the bonds are spent only on the specific projects and the specific school sites identified herein.

7. If fifty-five percent of the qualified voters voting on the measure vote "YES" the measure is approved.

8. The polls at the polling place will be open from 7:00 a.m. until 8:00 p.m. on the day of the election. The boundaries of the voting precincts within the District, the location of the polling places, and the names of the officers selected to conduct the election shall be determined by the Registrar of Voters of Shasta County.

9. The Board of Trustees of the Gateway Unified School District, by way of the adoption of Resolution No. 08-09-04 (the "Resolution") on July 29, 2008, has ordered the election in accordance with the provisions of Sections 5322 and 15264, *et seq.*, of the Education Code. In all particulars not recited in this Notice, the election shall be held and conducted as provided by law for holding school district elections.

Dated: July 29, 2008

GATEWAY UNIFIED SCHOOL DISTRICT

/s/ John Strohmayr, Superintendent

EXHIBIT B

MEASURE G

"To improve the quality of education, renovate and construct classrooms and school facilities including libraries and cafeterias; upgrade outdated heating, ventilation, and air conditioning systems; make health and safety improvements; improve student access to computers and modern technology; and improve handicapped accessibility; shall the Gateway Unified School District issue \$19,000,000 of bonds at the lowest possible interest rates, with no money for teacher or administrative salaries, with spending annually reviewed by an independent citizens' oversight committee?"

EXHIBIT C

Full Text of the Measure

BOND PROJECT LIST

The Bond Project List below describes the specific projects the Gateway Unified School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. The Board of Trustees may make changes to the Bond Project List in the future consistent with the projects specified in the proposition.

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the District's facilities. Bond proceeds may also be used to, along with possible joint-use funding, construct multipurpose rooms and a library for joint-use purposes. Unless otherwise noted, the following projects are authorized to be completed at each or any of the District's school sites.

- Buckeye School of the Arts (K-6) - 1957
- Grand Oaks Elementary K-8) - 1948
- Shasta Lake School (K-8) - 1957
- Central Valley High School (9-12) - 1955
- Mountain Lakes High School Continuation - 1952
- Upgrade, acquire and install climate control systems for heating, ventilation, cooling/air conditioning (HVAC), including alternative and passive technologies to conserve energy, such as energy management systems, energy-efficient windows, window coverings and shade control, shade canopies, etc.
- Upgrade inadequate electrical systems to improve student access to computers and modern technology
- Construct or install improvements required to comply with access requirements of the Americans with Disabilities Act (ADA), and existing state and local building codes, including upgrades, modifications, or construction of restroom facilities, ramps, doors, parking, etc.
- Expand the cafeteria at Central Valley High School to accommodate additional students and build a stage for performances
- Upgrade, repair, replace, modify or construct site improvements, paths, sidewalks and walkways, canopies, lunch shelters, exterior shade structures, landscaping improvements, irrigation and drainage, etc.
- Refinish the exterior finishes of school buildings, including stucco, wood and metal trims, framing and siding, paint, etc.
- Replace the temporary portable library at Shasta Lake School with a new permanent library (may be joint-use project)
- Renovate existing cafeterias and kitchens throughout the District, and acquire and install food preparation equipment and fixtures
- Add modular building(s) to house athletics programs at Central Valley High School
- Construct a multi-purpose room at Grand Oaks Elementary School (may be joint-use project)
- Construct a multi-purpose room at Buckeye School of the Arts (may be joint-use project)

- Provide District's share of eligible joint-use projects
- Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase option under a lease for any of these authorized facilities, or acquire any other facilities the District is currently leasing or financing through lease-leaseback or sale-leaseback

Furnishing and equipping of existing and newly constructed, modernized or rehabilitated classrooms and facilities on an ongoing basis, including replacing worn, broken, or out-of-date furniture and equipment for all classrooms, athletic facilities and other facilities, as needed.

- Replace existing or acquire new computers, technology and related equipment on an ongoing basis.

Each project listed is assumed to include its share of costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects (whether work is performed by the District or by third parties), including:

- Remove, dispose of, and otherwise remediate hazardous materials, including asbestos, lead, etc., where necessary.

- Address unforeseen conditions revealed by construction/modernization (including plumbing or gas line breaks, dry rot, seismic, structural, etc.).

- Site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, demolition of existing structures, removing, replacing, or installing irrigation and drainage, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, traffic lights and mitigation, and acquiring any necessary easements, licenses, or rights of way to the property.

- If and as the need arises, and to the extent the Board of Trustees determines that bond funds are available for the purpose, acquisition of land and other interests in real property for additional school buildings and other District facilities.

- Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.

For any project involving renovation, modernization, remodeling or rehabilitation of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the Board of Trustees determines that replacement and new construction is more practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

CERTIFICATION

I, John Strohmayer, Secretary of the Board of Trustees of the Gateway Unified School District, Shasta County, State of California, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly approved and adopted by the Board of Trustees of the District at a special meeting thereof held on July 29, 2008, of which meeting all the members of the Board of Trustees had due notice and at which a majority thereof were present, and that at the meeting the Resolution was adopted by the following vote:

AYES: 7
 NOES: 0
 ABSENT: 0
 ABSTAIN: 0



An agenda for the meeting was posted at least twenty-four (24) hours before the meeting at 4411 Mountain Lakes Boulevard, Redding, California, a location freely accessible to members of the public, and a brief description of the Resolution appeared on the agenda.

I have carefully compared the foregoing Resolution with the original minutes of the meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original Resolution adopted at the meeting and entered in the minutes.

Date: July 29, 2008

/s/ John Strohmayer
Secretary of the Board of Trustees
Gateway Unified School District

TAX RATE STATEMENT IN CONNECTION WITH GATEWAY UNIFIED SCHOOL DISTRICT

An election will be held in the Gateway Unified School District (the "District") on November 4, 2008, on the question of issuing bonds in the principal amount of \$19,000,000. If the bonds are authorized and sold, debt service thereon will be paid from taxes levied on taxable property in the District.

The District anticipates issuing the bonds in four series beginning in 2009. The District estimates that the tax rate to support the bonds will not increase above the original tax rate that voters approved in 2002. By extending the term of the bonds, the District can generate the necessary proceeds for capital improvements at District schools.

The following tax rate information is given to comply with Sections 9400-9404 of the Elections Code.

Based on estimated assessed valuations available at the time of filing of this statement:

1. The best estimate of the tax rate that would be required 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 \$.01345 per \$100 (\$13.45 per \$100,000) of assessed valuation in fiscal year 2009-10.

2. The best estimate of the tax rate that would be required 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 \$.01736 per \$100 (\$17.36 per \$100,000) of assessed valuation in fiscal year 2017-18.

3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.04993 per \$100 (\$49.93 per \$100,000) of assessed valuation.

4. The best estimate of the average tax rate required to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$.02067 per \$100 (\$20.67 per \$100,000) of assessed valuation.

Voters should note that the estimated tax rates are based on the *assessed value* of taxable property on the County's official tax rolls, *not* on the property's market value. In addition, taxpayers may be eligible for a property tax exemption, such as the homeowner's exemption. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and the County Assessor to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing estimated tax rate information is partly based on assumptions and projections. The actual tax rates and the years in which they will apply may vary from those presented above, because of variations from the assumed 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 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 7, 2008

/s/ John Strohmayer, Superintendent
Gateway Unified School District



IMPARTIAL ANALYSIS BY COUNTY COUNSEL
OF THE BOND MEASURE SUBMITTED BY THE
GATEWAY UNIFIED SCHOOL DISTRICT

MEASURE G

This analysis of the general obligation bond measure for the Gateway Unified School District ("District"), Measure G, is prepared and submitted to the voters in accordance with Elections Code section 9500. The electors who will be entitled to vote on the measure are those qualified electors who reside within the boundaries of the District. If approved, the issuance of the bonds will be in conformance with the laws of the State of California. Measure G does not propose to amend or add to existing law.

Article XIII A, section 1 and Article XVI, section 18, of the California Constitution and Education Code sections 15264 et seq. authorize a school district to adopt a proposal, subject to the approval of the District's voters, authorizing the issuance of general obligation bonds for specific school district purposes. The District's Board of Trustees has adopted such a proposal and is submitting it to the District's voters for their consideration.

If 55 percent of the qualified electors voting on Measure G vote for approval, the District's Board of Trustees would be authorized to issue bonds in the principal amount not to exceed \$19 million and to levy ad valorem taxes on taxable property within the District to pay for the bonded indebtedness plus interest. The bonds may be issued and sold in several series and may mature in 40 years or less. The interest rate on the bonds could not exceed the statutory limit.

The proceeds of the bonds may be used only for the following purposes within the boundaries of the District: 1) renovating and constructing new classrooms and school facilities including libraries and cafeterias; 2) upgrading heating, ventilation, and air conditioning systems; 3) improving student access to computers and modern technology; 4) making health and safety improvements to facilities and District property; and 5) improving handicapped accessibility. The proceeds may not be used for any other purpose, including payment of salaries or other operating expenses.

According to the tax rate statement submitted by John Strohmayer, Superintendent of the District, the maximum estimated ad valorem tax which would be levied on taxable real property to repay the bonds over their term would not exceed \$49.93 per year for property having an assessed value of \$100,000. These calculations, however, are estimates only and are not binding upon the District.

If Measure G is not approved by 55 percent of the qualified electors voting on the measure, the District will not be authorized to issue bonds for the aforementioned purposes.

MICHAEL A. RALSTON
Interim County Counsel

By:

/s/ James R. Ross
Senior Deputy County Counsel

GATEWAY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ARGUMENT IN FAVOR OF MEASURE G

Everyone knows the importance and value of quality schools. From higher achieving students, to greater neighborhood safety, to improved property values, quality schools make a difference. Our teachers and staff have done a great job in educating local children as four schools have received the California Distinguished School Award. Today however, many school facilities in the Gateway Unified School District are inadequate to provide students with the education they need to succeed.

While our schools have been well maintained over the years with many renovations and classroom improvements, our work is not done. We must continue to improve our schools to meet today's safety, technological, and educational standards.

Your YES vote on Measure G will create a lasting, positive impact on the quality of our schools, neighborhoods, and home values.

Measure G improves classrooms and school facilities by:

- Upgrading outdated electrical and technology systems to improve student access to computers and modern technology
- Constructing and renovating libraries, cafeterias, and multi-purpose rooms
- Improving energy efficiency by upgrading outdated heating, ventilation, and air conditioning systems
- Making health, safety, and handicap accessibility (ADA) improvements in classrooms and restrooms
- Replacing temporary portables with permanent facilities

As taxpayers, we agree on the importance of quality schools but also financial safeguards.

Measure G makes financial sense and protects taxpayers

- Measure G will not increase the annual tax rate that voters approved in 2002
- By law, spending must be reviewed and annually audited by an independent oversight committee
- Funds can only be spent to improve schools, not for administrative salaries

Measure G upgrades and renovates outdated or inadequate school facilities, maintains property values, and improves the quality of our community without increasing our tax rate – and that's something we can all support. **Please, VOTE YES ON MEASURE G!**

**NO ARGUMENT AGAINST THIS MEASURE
WAS SUBMITTED**

