

RESOLUTION NO. #13-19

**RESOLUTION OF THE BOARD OF TRUSTEES
LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT
ORDERING AN ELECTION AND ESTABLISHING
SPECIFICATIONS OF THE ELECTION ORDER**

WHEREAS, the Board of Trustees (the “Board”) is committed to maintaining the quality of education for each of our students with a strong foundation in math, science and English that contributes to 99% of high school graduates attending top colleges and competing for 21st Century careers; and

WHEREAS, the Board has determined both high schools within the Los Gatos-Saratoga Joint Union High School District (the “District”) need to repair and upgrade leaking roofs, old heating and cooling systems, aging classrooms, labs and classrooms for a safe and modern learning environment; and

WHEREAS, improvements of our local schools will help maintain strong property values, help attract and retain qualified teachers and prepare our students for college and jobs in the 21st Century; 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 take advantage of current lower interest rates to free up funding to attract and retain teachers, support student learning and qualify for State matching funds that would not otherwise be available; and

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

WHEREAS, the State of California (the “State”) is unable to provide the District with enough money for the District to adequately maintain and expand its educational facilities notwithstanding ongoing efforts to obtain such monies; and

WHEREAS, in the considered judgment of the Board, it is in the best interests of the District residents to provide additional facility and site improvement funding to meet such needs now by means of a general obligation bond; and

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

WHEREAS, such a measure will help provide funds that must be spent in our local schools and cannot be taken away by the State to make essential safety repairs, fix or replace leaky and aging roofs, keep schools clean and well-maintained, and enable the District to qualify for State matching funds; and

WHEREAS, the funds of such a measure shall be distributed equitably between both Saratoga and Los Gatos high schools based on facility needs, academic priorities and student enrollment; and

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

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

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

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

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

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

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

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

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

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, June 3, 2014, and to request each of the Santa Clara County Registrar of Voters and the Santa Cruz County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE LOS GATOS-SARATOGA JOINT UNION HIGH 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 each of the Santa Clara County Registrar of Voters and the Santa Cruz County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount of \$99,000,000 (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.

Section 2. That the date of the election shall be June 3, 2014.

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

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

(b) that the Board, in establishing the projects set forth in Exhibit “B,” evaluated the safety, class size reduction, classroom, educational, and information technology needs of the District as well as the importance of the projects to student achievement and high quality instruction;

(c) that the Board shall cause an annual, independent performance audit to be conducted to ensure that the Bond monies get spent only for the projects identified in Exhibit “B” hereto;

(d) that the Board shall cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board shall appoint a Citizens’ Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274; and

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

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

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

Section 6. That each of the Santa Clara County Registrar of Voters and the Santa Cruz Registrar of Voters and the Santa Clara County Board of Supervisors and the Santa Cruz County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 3, 2014 within the District.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to each of the Santa Clara County Registrar of Voters and the Santa Cruz County Registrar of Voters no later than March 7, 2014.

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

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by any body or official authorized by law to canvass such returns, and that the Board consents to such consolidation.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Boards of Supervisors of each of Santa Clara County and Santa Cruz County are requested to permit their respective Registrars of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse each of Santa Clara County and Santa Cruz County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 25th of February, 2014.

BOARD OF TRUSTEES OF THE LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT

By _____

President

Attest:

Clerk

STATE OF CALIFORNIA)
)ss
SANTA CLARA COUNTY)

I, Cynthia Chang, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Trustees of the Los Gatos-Saratoga Joint Union High School District at the meeting thereof held on the 25th of February, 2014, and that it was so adopted by the following vote:

AYES: Trustees Chang, Ramezane, Rossi, Tseng, van Zuiden

NOES:

ABSENT:

ABSTENTIONS:

Cynthia Chang
Clerk of the Board of Trustees

EXHIBIT A

“To upgrade local schools with funding that cannot be taken by the State, shall Los Gatos-Saratoga Joint Union High School District make essential safety repairs, fix or replace leaky and aging roofs, keep schools clean and well-maintained, update science labs, classrooms and technology, prevent classroom overcrowding, renovate, construct, acquire classrooms, sites, equipment, facilities, by issuing \$99 million in bonds, at legal rates, with citizen oversight, annual independent audits, qualify for State matching funds, and no funds for administrator salaries?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE LOS GATOS-SARATOGA JOINT UNION HIGH SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 3, 2014

The following is the full proposition presented to the voters by the Los Gatos-Saratoga Joint Union High School District.

“To upgrade local schools with funding that cannot be taken by the State, shall Los Gatos-Saratoga Joint Union High School District make essential safety repairs, fix or replace leaky and aging roofs, keep schools clean and well-maintained, update science labs, classrooms and technology, prevent classroom overcrowding, renovate, construct, acquire classrooms, sites, equipment, facilities, by issuing \$99 million in bonds, at legal rates, with citizen oversight, annual independent audits, qualify for State matching funds, and no funds for administrator salaries?”

PROJECT LIST

The Board of Trustees of the Los Gatos-Saratoga Joint Union High School District is committed to safe clean and well-maintained schools with upgraded classrooms, science labs and classroom technology to keep pace with 21st century learning standards. To that end, the Board evaluated the District’s urgent and critical facility needs, including safety issues, class size reduction and overcrowding, computer and information technology, enrollment trends and prepared a 2013 Preliminary Master Plan, the Executive Summary of which was presented to the Board on February 4, 2014 and a Technology Plan, presented to the Board on January 14, 2014 (together, the “Master Plans”) which are incorporated herein in their entirety, in developing the scope of projects to be funded in a fiscally responsible manner. The District conducted a facilities evaluation and received public input through school site meetings, community presentations and interactive materials. Teachers, staff, parents, community members and the Board have prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board concluded that if these needs are not addressed now, the problems will only become more pressing and expensive to address. **Therefore, in approving this Project List, the Board of Trustees determines that the District:**

- (i) **Must make ESSENTIAL SAFETY REPAIRS to classrooms, labs and other school facilities;**
- (ii) **Must keep schools SAFE, clean and well-maintained;**
- (iii) **Must fix leaky and aging roofs;**
- (iv) **Must update classrooms, science labs and educational technology for 21st Century learning;**
- (v) **Must prevent classroom overcrowding by adding classrooms to accommodate growing student enrollment;**
- (vi) **Must adhere to specific FISCAL ACCOUNTABILITY safeguards such as:**
 - (a) **The State must be prohibited from taking any of the funds raised,**

- (b) All expenditures must be subject to annual INDEPENDENT FINANCIAL AUDITS,
- (c) No funds can be used for administrators' salaries and pensions,
- (d) All funds must be subject to local control,
- (e) An independent Citizens' Oversight Committee must be appointed to ensure that all funds are spent only as authorized.

Essential School Renovation, Repair and Upgrade Projects

Goals and Purposes: Since good, safe and up-to-date schools help protect and improve local property values and since some classrooms and facilities in the District have not been updated for 21st Century learning, schools and school sites will benefit from a variety of basic repair projects, such as:

- **Fix or replace leaky and aging roofs.**
- Replace old heating, cooling, plumbing, and electrical systems.
- **Make essential safety repairs.**
- Update fire safety systems, including fire safety doors, smoke alarms, and detectors.
- Improve school access areas for students and teachers with disabilities.
- **Update science labs.**
- Upgrade campus security, including lighting, fencing, gates, classroom door locks and alarms.
- **Add classrooms to prevent overcrowding.**
- Replace aging, outdated portables with modern classrooms that meet 21st century health, safety and academic standards.
- Keep schools clean and well-maintained.
- Maximize energy efficiency and water conservation to save money.

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

Goals and Purposes: To ensure all students have access to up-to-date classrooms with updated classroom technology to allow our teachers and students to use current teaching methods and enhance instruction in core academic subjects like math, science and English and permit students to attend top colleges and compete for 21st Century careers:

- Provide and maintain up-to-date technology, data and communication equipment.
- **Upgrade instructional technology in the classroom for improved student learning.**
- Upgrade and expand wireless systems, telecommunications, Internet and network connections.
- Establish a classroom technology fund to keep our technology up-to-date and ensure local schools keep pace with advancing technology.
- **Update science lab technology.**

* * *

The listed projects set forth above and in the Master Plan will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above as well as in the Master Plan, the Project List also includes the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by bond projects. The upgrading of technology infrastructure includes, but is not limited to, computers, projectors, portable interface devices, servers, switches, routers, modules, interactive white boards, hand held devices, sound projection systems, printers, document projectors, upgrade voice-over-IP, phone systems, call manager and network security/firewall, and other miscellaneous equipment. The repair of school facilities includes the construction, upgrading or replacing of school site parking, classrooms, multipurpose rooms, cafeterias, aging portable classrooms, campus accessibility, utilities, and grounds, physical education equipment and fields, hard court surfaces, shade structures for student assembly and protecting students from inclement weather during lunch, libraries, District support facilities; enhance signage; install fire sensors; replace damaged and unsafe gym bleachers and stadium stands, upgrade tennis courts; construct science labs, music and staff support rooms and restrooms; upgrade electrical wiring; athletic and play fields turf may be upgraded for safety and operational efficiency; solar power and water recycling and energy management systems; constructing new facilities and classrooms; renovate and paint interior and exterior building surfaces to extend their useful life; physical education facilities improvements, replace track and field; install sport field and tennis court lighting; acquire and install security, safety and communication systems and equipment; window and floor coverings (including tiles and carpeting), kitchen equipment, and upgrade irrigation systems and fitness center; relocate maintenance facility; make improvements and acquire furnishings and/or other electronic equipment and systems. The Project List also includes the refinancing of any outstanding lease obligations, or the bridge loans taken to initiate voter approved projects. The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by

factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code Section 53410.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF TRUSTEES 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.