

RESOLUTION NO. 2014/15-B-02

RESOLUTION OF THE BOARD OF TRUSTEES OF ANAHEIM
UNION HIGH SCHOOL DISTRICT ORDERING AN ELECTION,
AND ESTABLISHING SPECIFICATIONS OF THE ELECTION
ORDER

WHEREAS, the Board of Trustees (the "Board") of the Anaheim Union High School District (the "District") is committed to improving the quality of education in its schools, by repairing classrooms and labs, upgrading basic infrastructure and utilities, enhancing safety and security, and upgrading schools to provide for 21st century learning; and

WHEREAS, the District has identified the needs of its schools in a comprehensive Facilities Master Plan, incorporating comments from District staff, students, parents and community members; and

WHEREAS, the Board has received information regarding the possibility of a local bond measure and its ability to improve the District's facilities; 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 percent of full cash value limitation, those ad valorem taxes used to pay for debt service on 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 percent 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 repairs and upgrades, and enhancements to District 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 used for administrative salaries or other operating expenses of the District shall be enforced 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 limit of \$30 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, November 4, 2014, and to request the Orange County Registrar of Voters to perform certain election services for the District;

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE ANAHEIM 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 the Orange 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 up to \$249 million (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 November 4, 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) that 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 student safety, class size reduction, and the 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;

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limit of \$30 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 District desires to have a financially responsible bond measure that meets the Orange County Taxpayers Association School Bond Criteria, and based on the following:

(a) a clear need to build and modernize facilities, documented by the District's long-range Facilities Master Plan that identifies existing needs and anticipated future needs by school site;

(b) an open and transparent process for determining how the Bond funds will be spent, based on input from the District's *Blueprint for the Future Committee*, a Town Hall meeting, school site meetings, and a public opinion survey;

(c) the capital facilities projects to be funded are construction, modernization, and safety improvements, with no funds for maintenance, operations, or salaries;

(d) each series of Bonds is planned for a twenty-five year term, with the useful life of the facilities projects estimated to be at least as long, and proceeds of the Bonds will not pay for computers, vehicles, audio-visual aids, or other equipment that will become obsolete while the bond debt is outstanding;

(e) the Bonds are planned to be issued on a "just-in-time funding model" to reduce interest costs, with the amounts of each estimated bond series based on the projected facilities expenditures, estimated interest rates at the time of issuance, and the expected tax base;

(f) the Bonds are planned to be sold at competitive bid, based on published best practices by the Government Finance Officers Association, to ensure they receive the lowest interest rates available in the market;

(g) the District intends to set aside funds annually from the General Fund into a special reserve for the purpose of future construction and repair, and over the ten-year expected time horizon of the bond measure, will meet or exceed the recommended 2 percent to 4 percent of the value of the Bonds issued (\$5 million to \$10 million);

(h) the District plans to budget at least 2 percent of its operating budget towards maintenance of facilities;

(i) the District intends to maintain a level of reserve equal to at least 2 percent to 3 percent of General Fund expenditures for economic uncertainties;

(j) the District will have an annual outside independent audit of bond proceeds and expenditures;

(k) the District will have a Citizens' Bond Oversight Committee, to which the Board has already appointed some initial members, to confirm the reasonableness of completing the bond project list with the anticipated funding, and no member will be an employee or vendor of the District;

(l) preliminarily, the District estimates that the projects to be funded are eligible for State of California matching funds, and the District has engaged a consultant to determine eligibility and pursue State funds for all District facilities needs, including those on the bond project list;

(m) the District plans to build and maintain the facilities financed with proceeds from the Bonds by accepting bids from any qualified firm.

Section 5. 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 6. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 7. That the Orange County Registrar of Voters and the Orange County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014, within the District.

Section 8. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Orange County Registrar of Voters no later than August 8, 2014.

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.

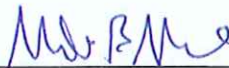
Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Orange County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Orange County. Such services will 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 17th day of July 2014.

BOARD OF TRUSTEES OF THE ANAHEIM
UNION HIGH SCHOOL DISTRICT

By 
Brian O'Neal
President of the Board of Trustees
Anaheim Union High School District

Attest:


Michael B. Matsuda
Secretary to the Board of Trustees
Anaheim Union High School District

STATE OF CALIFORNIA)
)ss
ORANGE COUNTY)

I, Michael B. Matsuda, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2014/15-B-02, which was duly adopted by the Board of Trustees of the Anaheim Union High School District at the meeting thereof held on the 17th day of July 2014 and that it was so adopted by the following vote:

AYES: Trustees Jabbar, Piercy, Randle-Trejo, and O'Neal

NOES: Trustee Smith

ABSENT:

ABSTENTIONS:


By 
Michael B. Matsuda
Secretary to the Board of Trustees
Anaheim Union High School District

EXHIBIT A

“To improve neighborhood schools, by repairing classrooms and labs, including leaky roofs, decaying walls, deteriorating restrooms, and accessibility for disabled students; upgrading basic infrastructure and utilities, including drinking water, sewer, and gas; enhancing safety and security, including fire safety and security systems; and acquiring, upgrading, and constructing 21st century classrooms, schools, sites, and support facilities, shall Anaheim Union High School District issue \$249 million of bonds at legal rates, with audits, citizen oversight, and no funds for administrator salaries?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE ANAHEIM UNION HIGH SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 4, 2014

The following is the full proposition presented to the voters by the Anaheim Union High School District.

“To improve neighborhood schools, by repairing classrooms and labs, including leaky roofs, decaying walls, deteriorating restrooms, and accessibility for disabled students; upgrading basic infrastructure and utilities, including drinking water, sewer, and gas; enhancing safety and security, including fire safety and security systems; and acquiring, upgrading, and constructing 21st century classrooms, schools, sites, and support facilities, shall Anaheim Union High School District issue \$249 million of bonds at legal rates, with audits, citizen oversight, and no funds for administrator salaries?”

PROJECT LIST FOR THE CLASSROOM AND SCHOOL SAFETY BOND MEASURE

The following are the projects that may be financed with proceeds of the bonds:

Repair and Upgrade Classrooms and Buildings, including roofs, walls, windows, doors and hardware, floors, ceilings, and accessibility for disabled students.

Basic Infrastructure and Utilities, including site and building plumbing, sewer, gas, electrical, water, storm drainage, HVAC systems, energy efficiency systems and controls, restrooms, and the financing of such upgrades.

Safety and Security, including fire safety systems, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, fencing, and earthquake retrofitting.

Removal of Hazardous Materials, such as asbestos and lead.

21st Century Learning Classroom Improvements, including furniture and equipment to allow for student collaboration, teamwork, and expanded learning methods.

Classroom Construction for education including career and technical education, science, technology, engineering, arts, and math education.

Physical Education Facility Repairs, including restrooms, locker rooms, showers, gymnasiums, multipurpose rooms, and constructing and reconditioning fields and facilities.

Outdoor Learning Quads and Courts, for outdoor education and student collaboration.

Landscape and Hardscape Improvements and Repairs, including irrigation systems.

Food Service Improvements, including constructing and upgrading facilities and equipment to serve meals to students, and shelters for students to eat lunch.

Student and Staff Support Facilities, including libraries, student union, student services, and administration facilities.

Property Acquisition, for the purpose of expanding overcrowded school sites.

The following sites are planned to receive some of the improvements described above:

- Anaheim High School
- Ball Junior High School
- Brookhurst Junior High School
- Cypress High School
- Dale Junior High School
- District Campus
- Hope School / Gilbert West
- Katella High School
- Kennedy High School
- Lexington Junior High School
- Loara High School
- Magnolia High School
- Orangeview Junior High School
- Oxford Academy
- Savanna High School
- South Junior High School
- Sycamore Junior High School
- Trident Education Center (Gilbert High School, Polaris High School, and Community Day School – ILC)
- Walker Junior High School
- Western High School
- Potential New Sites

* * *

In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

In addition to the sites listed above, the District may acquire, renovate, upgrade, construct, furnish and equip facilities at other locations.

Each project is assumed to include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that previously have been financed, or will be financed in the future, through temporary loans, leases, lease-leaseback, or lease-purchase

arrangements. Also included are the costs of demolition and reconstruction of existing facilities currently scheduled for modernization, if the Board of Trustees determines that such an approach would be a more cost effective solution.

The District is eligible to receive State matching funds and intends to aggressively pursue State funding. In the absence of such funding, improvements at each school may be affected and the District may not be able to perform 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 projects described above may be delayed or may not be undertaken.

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 § 53410.

Fiscal Accountability: In accordance with Education Code § 15272, the Board of Trustees has established a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above 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 shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not 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. No funds will be used toward teacher or administrator salaries or other operating expenses.


**Anaheim Union High School District
Tax Rate Statement for
The Classroom and School Safety Bond Measure
November 4, 2014 Election**

An election will be held in the Anaheim Union High School District (the "District") on November 4, 2014, to authorize the sale of up to \$249 million in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

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 a projection of assessed valuations available at the time of filing of this statement, is 3.00¢ per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2015-16.
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 a projection of assessed valuations available at the time of filing of this statement, is 2.99¢ per \$100 (\$29.99 per \$100,000) of assessed valuation in fiscal year 2023-24.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement, is 3.00¢ per \$100 (\$30.00 per \$100,000) of assessed valuation.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is 2.99¢ per \$100 (\$29.99 per \$100,000) of assessed valuation.

These projections of assessed valuations and tax rates are based on the experience and historical data within the District and are derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual assessed valuation in each year. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: July 17, 2014



Michael B. Matsuda
Superintendent
Anaheim Union High School District