



AGENDA ITEM NO.

C10

COUNTY OF HUMBOLDT

For the meeting of: March 13, 2018

Date: March 1, 2018

To: Board of Supervisors

From: Kelly E. Sanders, Clerk/Recorder/Registrar of Voters *KS*

Subject: Resolution 18-02 Requesting Consolidation of Fortuna Elementary School District Bond Election with the June 5, 2018, Statewide Direct Primary Election

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct the Registrar of Voters to conduct, and give notice of, a general obligation bond election for the Fortuna Elementary School District;
2. Consolidate this election with the Statewide Direct Primary Election to be held on June 5, 2018;
3. Direct Fortuna Elementary School District to reimburse the County of Humboldt for costs incurred pursuant to this request; and,
4. Request the Clerk of the Board forward the signed Board Order and copy of Fortuna Elementary School District Resolution 18-02 calling for an election authorizing the issuance of general obligation bonds to the Humboldt County Office of Elections.

SOURCE OF FUNDING:

Fortuna Elementary School District

Prepared by Kelsay Higdon

CAO Approval 

REVIEW:	Auditor _____	County Counsel <u><i>KS</i></u>	Human Resources _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Meeting of: \_\_\_\_\_

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**  
 Upon motion of Supervisor Wilson Seconded by Supervisor Bass

Ayes Bass, Sundberg, Bohn, Wilson  
 Nays \_\_\_\_\_  
 Abstain \_\_\_\_\_  
 Absent Fennell

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 3/13/18  
 By:   
 Kathy Hayes, Clerk of the Board

DISCUSSION:

On January 18, 2018, the Fortuna Elementary School District passed Resolution 18-02 which orders a general obligation bond election to authorize the issuance of school bonds in the amount of \$10,000,000, subject to the approval of 55% of the votes cast by the qualified electorate. Further, the Resolution 18-02 requests that the Humboldt County Board of Supervisors consolidates the election with the Statewide Direct Primary Election to be held on June 5, 2018, directs county election officials to conduct the necessary election, and states that the Fortuna Elementary School District agrees to reimburse the county for all costs associated with the bond election.

The question to be submitted to the voters shall read:

“To improve the quality of education with funding that cannot be taken by the State; repair or replace leaky roofs; and modernize/renovate outdated classrooms, restrooms and school facilities; shall the Fortuna Elementary School District issue \$10,000,000 of bonds at legal rates, averaging \$645,000 annually as long as bonds are outstanding at a rate of approximately 3 cents per \$100 assessed value, with annual audits, independent citizens’ oversight, NO money for salaries and all money for local schools?”

FINANCIAL IMPACT:

This item will not affect the General Fund. All funds advanced by the General Fund will be fully reimbursed by Fortuna Elementary School District.

This item meets the Board of Supervisor’s Strategic Framework by providing appropriate levels of community service and building interjurisdictional and regional cooperation.

OTHER AGENCY INVOLVEMENT:

Fortuna Elementary School District

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could decline to approve the consolidation. This is not recommended as this request is compliant with Election Code, Section 10403.

ATTACHMENTS: Cover Letter, Resolution 18-02, Abbreviated Form of Bond Measure, and Tax Rate Statement.



# Fortuna Elementary School District

Jeffrey E. Northern, M.A., District Superintendent  
500 9th Street, Fortuna, California 95540-1997 • 707/725-2293 FAX 707/725-2228

March 1, 2018

Kelly E. Sanders  
Registrar of Voters  
Humboldt County  
2426 6<sup>th</sup> Street  
Eureka, California 95501

Kathy Hayes  
Clerk of the Board of Supervisors  
Humboldt County  
825 5<sup>th</sup> Street, Room 111  
Eureka, California 95501

*Via hand delivery*

Re: Fortuna Elementary School District  
General Obligation Bond Election (55%) June 5, 2018

Dear Ms. Sanders and Ms. Hayes:

Enclosed is the Resolution adopted by the Board of Trustees of the Fortuna Elementary School District ordering a general obligation bond election for June 5, 2018. This election is being ordered under Proposition 39 and requires a 55% vote for passage.

In order to comply with Proposition 39 and related statutes the Board has adopted a full ballot text to be printed in the ballot pamphlet and an abbreviated form of measure (Appendix A and Appendix B to the Resolution).

The Board of Trustees has requested consolidation of this election with others occurring on the same day. We are submitting this resolution to you in your capacities as the Elections Official, and as the Clerk of the Board of Supervisors for purposes of consolidation pursuant to Elections Code § 10403.

Also enclosed herewith is the originally signed Tax Rate Statement to appear in the Sample Ballot, as required by Elections Code 9400 and following.

Please do not hesitate to contact me with any questions on the attached.

Sincerely,

Jeff Northern, Superintendent  
Fortuna Elementary School District

**RECEIVED**

MAR - 1 2018

HUMBOLDT COUNTY  
ELECTIONS

RESOLUTION NO. 18-02

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
FORTUNA SCHOOL DISTRICT ORDERING AN ELECTION TO  
AUTHORIZE THE ISSUANCE OF SCHOOL BONDS, ESTABLISHING  
SPECIFICATIONS OF THE ELECTION ORDER, AND REQUESTING  
CONSOLIDATION WITH OTHER ELECTIONS OCCURRING  
ON JUNE 5, 2018**

**WHEREAS**, the Fortuna Elementary School District (the "District") in Humboldt County (the "County"), State of California, is committed to providing quality education to its students; and

**WHEREAS**, the District's facilities are in need of repairs, upgrades, modernization and safety improvements in order to provide the education District students deserve in a safe and modern environment; and

**WHEREAS**, a local funding source is needed to enable the District to provide said facilities for its present and future students; and

**WHEREAS**, the Board of Trustees of the District (the "Board") has determined that it is necessary to address the foregoing concerns, among others, to ensure that its schools are upgraded, repaired, improved and equipped; and

**WHEREAS**, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Articles XIII A of the California Constitution ("Article XIII A") to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

**WHEREAS**, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Act"), became operative; and

**WHEREAS**, in order to address the facilities needs of the District as described herein, in the judgment of the Board, it is advisable to call an election pursuant to the Act to submit to the electors of the District the question whether bonds of the District shall be issued and sold pursuant to the authority of Article XVI Section 18 of the California Constitution and Article XIII A (together with the Act, the "Law") for the purposes authorized by the Law and as described in Appendix A hereto (the "Full Text of Bond Measure"); and

**WHEREAS**, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election at which all of the electors of the District are entitled to vote, or a statewide special election, upon a two-thirds vote of the Board; and

**WHEREAS**, the Board desires to call an election in the District pursuant to the Law on June 5, 2018, which is the date of the statewide primary election, and pursuant

to Education Code Section 15121 and Elections Code Section 10400 and following, to request consolidation with any and all other elections held in the District on such date, and to request the Humboldt County Registrar of Voters (the "County Registrar") to perform election services for the District; and

**WHEREAS**, in connection with the calling of a bond election and in accordance with Education Code Section 15100 subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuations made by the County assessor; and

**NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE FORTUNA ELEMENTARY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Recitals.** The foregoing recitals are true and correct.

**Section 2. Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$10.0 million for the purposes described in the ballot measure approved under Section 4 and attached hereto as Appendix A (Full Text of Bond Measure) and Appendix B (Abbreviated Text of Bond Measure), and paying all costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

**Section 3. Election Date.** The date of the election shall be June 5, 2018, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District's last election.

**Section 4. Purpose of Election; Ballot Measure.** The purpose of the election shall be for the voters in the District to vote on a bond measure, a full copy of which is attached hereto as Appendix A and marked "Appendix A – Full Text of Bond Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue general obligation bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF BOND MEASURE" and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure by the County elections official. As required by Education Code Section 5322 and Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Appendix B – Abbreviated Form of Bond Measure." The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to this resolution or the text of the measure as described herein to conform to any requirements of the Law or the County Registrar.

**Section 5. Authority for Election.** The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code, Article XVI Section 18(b) of the California Constitution and paragraph (b) subsection (3) of Article XIII A. The

authority for the specification of this election order is contained in Section 5322 of the Education Code.

**Section 6. Proceeds for School Facilities Projects.** The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

**Section 7. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures.** As required by Article XIII A, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

- (a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A;
- (c) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
- (d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;
- (e) cause the creation of accounts into which bond proceeds shall be deposited; and
- (f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

**Section 8. State Matching Funds.** The Board hereby finds that some of the projects identified on the Full Text of Measure will require state matching funds for completion. As such, the statement required by Education Code Section 15122.5 has been included in the Full Text of Measure.

**Section 9. Delivery of this Resolution.** The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the Humboldt County Superintendent of Schools, (2) the County Registrar, and (3) the Humboldt County Clerk of the Board of Supervisors (the "Clerk of the Board") for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

**Section 10. Consolidation of Election; Request to Provide Services.** The County Registrar and the Humboldt County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 5, 2018 within the District.

Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Humboldt County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Humboldt County in full upon presentation of a bill from the 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).

**Section 11. Approval of Tax Rate Statement.** Pursuant to Elections Code Section 9401, a tax rate statement has been prepared in the form attached hereto as Appendix C, which form of Tax Rate Statement is hereby approved for inclusion in the sample ballot. The President of the Board, the Superintendent, or any written designee of the foregoing, are hereby separately authorized and directed to execute the tax rate statement, and to file said Statement with the County Registrar, in accordance with Section 9 hereof.

**Section 12. Ballot Arguments.** As provided in Elections Code Section 9501, any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument.

**Section 13. Maturity Limit of Bonds.** The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of such issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

**Section 14. Official Actions.** The President of the Board and the Superintendent are hereby separately authorized and directed to execute and deliver to County officials any directions, requisitions or other writings, and to make any changes to the texts of the measure as described herein and in the tax rate statement, to conform to any legal requirements or the County Registrar, in order to cause the election to be held and conducted in the District.

**Section 15. Effective Date.** This resolution shall take effect on and after its adoption.

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The foregoing Resolution was adopted by the Board of Trustees of the Fortuna Elementary School District of Humboldt County, being the Board authorized by law to make the designations therein contained by the following vote, on 2/15, 2018.

Adopted by the following votes: [2/3 of Board required for approval]

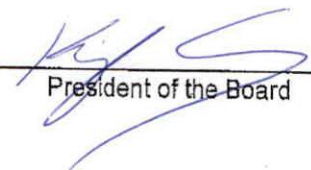
AYES: 4

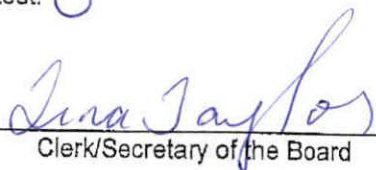
NOES: 0

ABSENT: 1

ABSTAIN: 0

Attest: 0

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Clerk/Secretary of the Board



**APPENDIX B**

**ABBREVIATED FORM OF BOND MEASURE**

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"To improve the quality of education with funding that cannot be taken by the State; repair or replace leaky roofs; and modernize/renovate outdated classrooms, restrooms and school facilities; shall the Fortuna Elementary School District issue \$10,000,000 of bonds at legal rates, averaging \$645,000 annually as long as bonds are outstanding at a rate of approximately 3 cents per \$100 assessed value, with annual audits, independent citizens' oversight, NO money for salaries and all money for local schools?"

Bonds—Yes

Bonds—No

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**APPENDIX C**

**TAX RATE STATEMENT  
REGARDING PROPOSED**

**\$10.0 MILLION  
FORTUNA ELEMENTARY SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS**

An election will be held in the Fortuna Elementary School District (the "District") on June 5, 2018, to authorize the sale of up to \$10.0 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* 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. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.03 per \$100 of assessed valuation (or \$30 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 2052-53.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.03 per \$100 of assessed valuation (or \$30 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2018-19 and following.
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$22.0 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. 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. 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 attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to

factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations 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.

By:  \_\_\_\_\_  
Superintendent  
Fortuna Elementary School District