



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-2

For the meeting of: July 22, 2014

Date: July 18, 2014

To: Board of Supervisors

From: Supervisor Virginia Bass

Subject: Eureka City School District Board Calling for an Election to Authorize the Issuance of School Bonds and Establishing Specifications for an Election and Requesting Consolidation with the County Election occurring on November 4, 2014

RECOMMENDATION(S): That the Board of Supervisors approve the request and forward to the Elections Department for processing.

SOURCE OF FUNDING: N/A

DISCUSSION: The Eureka City School District Board of Trustees is calling for an election to authorize the issuance of school bonds, establishing specifications for an election and requesting consolidation with the countywide election occurring on November 4, 2014.

The Eureka City School District will reimburse the County of Humboldt for all costs incurred in the consolidation of this ballot measure with the November 4, 2014 Election.

FINANCIAL IMPACT: N/A

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion.

ATTACHMENTS: Eureka City School District Board of Directors Draft Resolutions.

Prepared by Kathy Hayes Signature Virginia Bass

REVIEW: Auditor _____ County Counsel _____ Personnel _____ Risk Manager _____ Other _____

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 Bass Seconded by Supervisor Sundberg

Ayes Sundberg, Lovelace, Bohn, Fennell, Bass
Nays _____
Abstain _____
Absent _____

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

Dated: July 22, 2014
By: Kathy Hayes
Kathy Hayes, Clerk of the Board

RESOLUTION NO. 14-15-002

**RESOLUTION OF THE EUREKA CITY SCHOOLS
ORDERING A SCHOOL BOND ELECTION,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS**

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

WHEREAS, the Eureka City Schools District prides itself on inspiring academic excellence, creativity, and the confidence to succeed; and

WHEREAS, local schools need to stay up-to-date, providing the right kind of job training and education to allow our local children to succeed; and

WHEREAS, a locally-enacted education bond measure will provide funding for career/technical education and job training classrooms and programs to prepare students to effectively compete for jobs right after high school; and

WHEREAS, the District needs a local funding source that is legally required to stay in Eureka, ensuring local control and sufficient funds to help provide the education, programs, and technology our children need; and

WHEREAS, many local schools are old and in critical need of safety upgrades and repairs, including leaky roofs and deteriorating electrical, heating, and plumbing systems; and

WHEREAS, delaying these necessary upgrades will only make it more expensive to fix our schools in the future; and

WHEREAS, if approved by voters, a locally-enacted education bond measure would ensure that every neighborhood school receives its fair share of funding, and that Eureka schools are able to qualify for any available state matching funds; and

WHEREAS, the Board deems it necessary and advisable to submit a bond measure to the qualified electors of the District that, if approved by fifty-five percent (55%) of the votes cast, would permit the District to issue bonds; and

WHEREAS, it is desirable that the election to determine whether 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.

NOW, THEREFORE, the Governing Board of the Eureka City Schools does hereby resolve, determine, and order as follows:

Section 1. Election Order; Ballot Measure. Pursuant to Education Code Sections 5304 and 5322 and Sections 15340 *et seq.*, and Sections 15264 *et seq.*, an election shall be held within the

boundaries of the District on Tuesday, November 4, 2014, submitting to the voters of the District the question whether bonds, in an amount not exceeding forty-nine million seven hundred fifty thousand dollars (\$49,750,000) shall be issued and sold for the purpose of upgrading technology infrastructure to improve student access to modern technology, and to construct, acquire, and improve other school facilities, as specifically set forth in Exhibit B attached hereto. All of the purposes enumerated above shall be united and voted upon as one single proposition. 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 the whole or any part of the bonds are to run shall not exceed the statutory maximum, which is 25 years in the case of bonds issued under the authority of the Education Code, and the maximum amount authorized by law in the case of bonds issued under the authority of the Government Code.

Section 2. Vote Required. Pursuant to Sections 15348(a) and 15274 of the Education Code, and Section 18(b) of Article XVI, and Section 1(b)(3) of Article XIII A of the California Constitution, the above proposition shall become effective only upon the affirmative vote of fifty-five percent (55%) of those electors voting on the measure.

Section 3. Formal Notice of Election. The Superintendent is hereby directed to prepare and execute a Formal Notice of School Bond Election (the "Notice of Election") for delivery to the Registrar of Voters of the County containing the information specified in Education Code Sections 5361 and 15120, in substantially the form attached hereto as Exhibit A and incorporated herein by reference with such changes as may be required by the County Counsel or the District's bond counsel. The District hereby requests the County Registrar of Voters to publish the Notice of Election.

Section 4. Abbreviated Statement of the Bond Measure. The abbreviated statement of the bond measure is set forth in the Notice of Election attached hereto as Exhibit A and incorporated herein by reference. The District hereby requests the Humboldt County Registrar of Voters to designate the measure on the ballot by a letter printed on the left margin of the square containing the abbreviated statement of the measure, as provided in Section 13116 of the Elections Code.

Section 5. Conduct of Election. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Registrar of Voters of Humboldt County is hereby requested to take all steps to prepare for and hold the election within the District in accordance with law and the specifications as set forth in this Resolution.

Section 6. Consolidation with Other Elections. Pursuant to Sections 5342 and 15121 of the Education Code, and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, it is hereby requested that the election 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. Pursuant to Section 10403 of the Elections Code, the Board hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed by Section 10418 of the Elections Code.

Section 7. Canvass of Returns. The Board of Supervisors is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 8. Services of Registrar of Voters. The District agrees to reimburse the County for the services provided by the Registrar of Voters, such services to include the publication of a

Notice of School Bond Election (as described herein) and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code), pursuant to the terms of the Education Code and the Elections Code.

Section 9. Specifications of the Election Order. The foregoing specifications of the election order are made pursuant to Section 5322 of the Education Code.

Section 10. Delivery of Specifications of the Election Order. The Secretary of the Board shall, not less than 88 days prior to the date set for the election, deliver one copy of this resolution to the Registrar of Voters, and one certified copy hereof to the Board of Supervisors of Humboldt County.

Section 11. Retention of Professional Service Firms. Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby appointed bond counsel and disclosure counsel to the District for the issuance and sale of the bonds. The Superintendent of the District is hereby authorized and directed to execute and deliver an agreement for services with that firm in the form submitted to this meeting. California Financial Services is hereby appointed financial advisor for the issuance and sale of the bonds. The Superintendent of the District is hereby authorized and directed to execute and deliver an agreement for services with that firm in the form submitted to this meeting.

Section 12. Tax Rate Statement. The Board hereby approves the form of the tax rate statement attached hereto as Exhibit C and incorporated herein by reference.

Section 13. 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 bonds in order to pay for the acquisition and construction of the school facilities authorized by the ballot proposition.

Section 14. General Authorization with Respect to the Bond Election. The members of the Board, the Superintendent, and the other officers of the District, and each of them individually, are hereby authorized and directed 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 proposition. 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 respects.

Section 15. Use of Bond Proceeds, Facilities Specifications and Audit Requirements.

(a) Use of Bond Proceeds. Proceeds from the sale of bonds may be used only for the purposes specified in Article XIII A, Section 1(b)(3), of the California Constitution.

(b) Specification of Facilities. The specific school facilities projects to be funded are set forth in Exhibit B. The Board hereby certifies that it evaluated safety, class size reduction, and information technology needs in developing the list.

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

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

Section 16. 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 this Resolution;

(b) the bond proceeds shall only be used on the specific projects authorized in this Resolution;

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

(d) the chief business officer 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.

Section 17. Citizen's Oversight Committee. If the bond measure is approved, the Board shall appoint a citizen's oversight committee 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 18. Availability of State Funds. Approval of the bond measure does not guarantee that the school facility projects proposed for construction will be funded beyond the local revenues generated by the measure. Certain of the District's proposed projects assume the receipt of matching State funds, which could be subject to appropriation by the State Legislature or approval of a statewide bond measure. Reduction in state funds may result in a subsequent reduction in funding of projects provided for herein.

APPROVED, PASSED, AND ADOPTED on July 21, 2014, by the following vote:

AYES: 5 - Hank Beck, Fran Taplin, Wendy Davis, Susan Johnson,
NOES: 0
ABSTAIN: 0
ABSENT: 0
Lisa Oliver

Wendy Davis
President of the Governing Board
Eureka City Schools

ATTEST:

Fran Taplin
Clerk of the Governing Board
Eureka City Schools

EXHIBIT A

FORMAL NOTICE OF SCHOOL BOND ELECTION

1. NOTICE IS HEREBY GIVEN to the qualified electors of Eureka City Schools (the "District") that, in accordance with the provisions of the California Education Code, a school bond election will be held on Tuesday, November 4, 2014, in the District.

2. At the election, a measure will be submitted to the qualified electors of the District and voted upon whether to authorize the District to issue \$49,750,000 principal amount of bonds for the purpose of upgrading technology infrastructure to improve student access to modern technology, and to construct, acquire, and improve other school facilities. Specifically, bond proceeds shall be utilized for the purposes of acquisition, construction, renovation, furnishing, and equipping of school facilities, support facilities, and equipment.

3. The statement of the measure shall be abbreviated on the ballot as follows:

MEASURE S: EUREKA CITY SCHOOLS CLASSROOM REPAIR, TECHNOLOGY, & JOB TRAINING BOND MEASURE. To upgrade every school site and help improve education by: upgrading career technical/job training classrooms; investing in technology/science labs; repairing aging classrooms; qualifying local schools for matching state funds; and constructing/acquiring facilities, classrooms, sites and equipment, shall Eureka City Schools issue \$49.75 million in bonds at legal rates, requiring Independent Citizens' Oversight, annual audits, with no money for administrators' salaries/pensions?

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 Elections Code section 13116. The phrases "BONDS-YES" and "BONDS-NO" shall be printed below the measure.

4. All of the purposes enumerated in the foregoing proposition shall be united and voted upon as one single proposition. 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 the whole or any part of the bonds are to run shall not exceed the statutory maximum.

5. Approval of the District's measure does not guarantee that the projects that are the subject of the measure will be funded beyond the local revenues generated by the bond measure. The District's proposed projects may assume the receipt of state funds, which could be subject to appropriation by the Legislature or approved at a statewide bond measure.

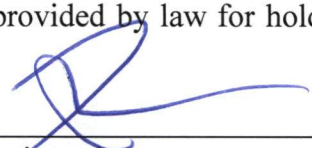
6. If fifty-five percent (55%) of the qualified electors voting on the proposition vote "YES," the proposition is approved.

7. District's Governing Board 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.

8 The polls at the polling places 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 Humboldt County.

9. The Governing Board of Eureka City Schools, by adoption of Resolution No. 14-15-002 (the "Resolution"), on July 21, 2014, has ordered the election in accordance with the provisions of Sections 5322, 15266, and 15121 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: 7/21/14



Superintendent

EXHIBIT B

SPECIFIC SCHOOL FACILITIES PROJECTS TO BE FUNDED

Classroom Repair, Technology and Job Training for Eureka City Schools

Goal and Purpose: To upgrade every school site and help improve education by: upgrading career/job training classrooms; investing in technology/science labs; repairing aging classrooms; qualifying local schools for matching state funds; and constructing/acquiring facilities, classrooms, sites and equipment.

Classroom and Facility Repair:

- Upgrade fire alarm systems and fire sprinkler systems to meet current codes
- Replace/upgrade existing security systems
- Correct earthquake safety deficiencies where found to be necessary
- Repair, replace and expand fencing, doors, locks, exterior lighting and other barriers to provide increased security for students and staff
- Upgrade emergency communication systems, including warning and public address systems
- Improve, expand or construct safer student pick-up and drop off areas
- Repair and/or replace outdated heating and ventilation systems
- Repair and/or replace drainage, sewer, gas, electrical, irrigation and water systems
- Repair and/or replace leaking roofs, gutters and downspouts
- Repair, renovate, upgrade, improve build and/or replace pavement, sidewalks, outdoor structures, fields, facilities and landscape areas at physical education facilities, sports and athletic facilities, playgrounds and playfields
- Repair and/or replace deteriorated walls, ceilings, doors, windows, cabinets, interior and exterior building finishes
- Repair, renovate or improve site restroom facilities
- Construct classrooms, restrooms, nurses offices, staff work areas at existing sites and furnish and equip such buildings
- Repair, upgrade or reconfigure site grounds and facilities to accommodate projects on this project list
- Construct access improvements for disabled persons, as required by state and federal law
- Carry out necessary deferred maintenance projects
- Repair, add and/or replace school activity signage
- Repair, add and/or replace school furniture and equipment
- Replace aging portable classroom buildings, and furnish and equip such buildings
- Abate and demolish any school buildings that are deemed unsafe and/or not fit for modernization
- Install energy efficient mechanical, electrical and lighting systems

- Replace and/or improve single-paned windows
- Install power generation equipment to reduce energy/utility costs
- Improve insulation, weatherproofing and roofs
- Implement water conservation systems
- Improve, modernize, expand or construct multi-use buildings, including kitchen facilities and central kitchen

Upgrade career/job training classrooms in our middle and high school campuses allowing us to improve instructional methods, and integrate modern technology:

- Repair and/or replace deteriorated walls, ceilings, doors, windows, cabinets, interior and exterior building finishes
- Repair and/or replace leaking roofs, gutters and downspouts
- Replace aging portable classroom buildings, and furnish and equip such buildings
- Repair, replace or purchase new shop and classroom furniture and equipment
- Install energy efficient mechanical, electrical and lighting systems
- Replace and/or improve single-paned windows

Integrate modern technology into daily student learning to improve current instructional methods:

- Provide and maintain upgraded technology, data and communication equipment
- Upgrade and expand wireless systems, telecommunications, internet and network connections
- Upgrade and replace computers, hardware and software systems
- Install updated wiring and infrastructure to accommodate modern technology

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, surveys, construction management, relocation assistance, staff training expenses and customary contingency and escalation for unforeseen design and construction costs. In addition to the listed projects, the project list also includes the payment of the costs of preparation of all facility planning, 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, LCD projectors, printers, portable interface devices, servers, switches, routers, modules, sound projection systems, digital whiteboards, document projectors, upgrade VOIP, call manager and network security/firewall and other miscellaneous equipment and software.

EXHIBIT C

Tax Rate Statement In Connection With Eureka City Schools November 4, 2014 Election

An election will be held in Eureka City Schools (the "District") on November 4, 2014 to authorize the sale of up to \$49,750,000 in bonds of the District to finance school facilities as described in the Measure. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is .000600 cents per \$100 (\$60 per \$100,000) of assessed valuation in fiscal year 2015-16.
2. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is .000600 cents per \$100 (\$60 per \$100,000) of assessed valuation in fiscal year 2021-22.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is .00060 cents per \$100 (\$60 per \$100,000), which rate is expected to be levied in each year while the bonds are outstanding.

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. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The 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: November 4, 2014