

RESOLUTION NO. 1186-12

RESOLUTION OF THE BOARD OF TRUSTEES OF THE CHICO  
UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION, AND  
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Trustees (the "Board") has determined that local neighborhood schools within the Chico Unified School District (the "District") needs to be upgraded, repaired, improved, and better equipped to enable the District to maintain and enhance the educational opportunities of students in the District; and

WHEREAS, notwithstanding ongoing efforts to obtain sufficient facility money from the State of California (the "State"), the State is unable to provide the District with enough money for the District to adequately maintain and expand its educational facilities; and

WHEREAS, in the considered judgment of the Board, mindful of the opportunity that currently low construction costs and historically low interest rates afford, 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, for the evidence gathered indicates that if these needs are not addressed now, they will only become more pressing and more costly; 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 which 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 for 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 which 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 school facilities; and

WHEREAS, the Board hereby determines, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, that 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 be strictly 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 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, including any ballot pamphlet prepared, sponsored, or distributed by the District, relating to the election; 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 6, 2012, and to request the Butte County Registrar of Voters to perform certain election services for the District;

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE CHICO UNIFIED 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 Butte 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 not to exceed \$78,000,000 (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 November 6, 2012.

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 Exhibit "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 and administrator salaries and 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 enhanced instruction;

(c) that the Board will cause an annual, independent performance audit to be conducted to ensure that the Bond moneys get expended for the projects identified in Exhibit "B" hereto;

(d) that the Board will 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 the Butte County Registrar of Voters and the Butte County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 6, 2012 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Butte County Registrar of Voters no later than July 9, 2012. That this Resolution shall stand as the "order of election" to the Butte County Registrar of Voters to call for an election within the boundaries of the District on November 6, 2012.

Section 8. That the maturity of 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 of 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 be made by any body or official authorized by law to canvass the returns of the election, 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 Butte 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 Butte 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 20th day of June, 2012.

BOARD OF TRUSTEES OF THE CHICO UNIFIED  
SCHOOL DISTRICT

By Andre Lee  
President

Attest:

[Signature]  
Secretary

STATE OF CALIFORNIA    )  
  )ss  
BUTTE COUNTY            )

I, Kelly Staley, do hereby certify that the foregoing is a true and correct copy of Resolution No. 1186-12, which was duly adopted by the Board of Trustees of the Chico Unified School District at meeting thereof held on the 20th day of June, 2012, and that it was so adopted by the following vote:

AYES: Thompson, Griffin, Robinson, Reed, Kaiser

NOES: None

ABSENT: None

ABSTENTIONS: None

By  \_\_\_\_\_  
Secretary

EXHIBIT A

“Without increasing current tax rates and to improve the quality of education at local Chico schools, improve student access to computers and modern technology, repair leaky roofs, replace plumbing systems, and upgrade heating, ventilation and cooling systems, shall Chico Unified School District acquire, construct, repair, modernize restrooms, classrooms, school facilities, sites, fields, equipment by issuing \$78,000,000 of bonds at legal interest rates, with independent citizens’ oversight and NO money taken by the State or used for administrators’ salaries?”

Bonds – Yes

Bonds – No

## EXHIBIT B

### FULL TEXT BALLOT PROPOSITION OF THE CHICO UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 6, 2012

The following is the full proposition presented to the voters by the Chico Unified School District.

“Without increasing current tax rates and to improve the quality of education at local Chico schools, improve student access to computers and modern technology, repair leaky roofs, replace plumbing systems, and upgrade heating, ventilation and cooling systems, shall Chico Unified School District acquire, construct, repair, modernize restrooms, classrooms, school facilities, sites, fields, equipment by issuing \$78,000,000 of bonds at legal interest rates, with independent citizens’ oversight and NO money taken by the State or used for administrators’ salaries?”

#### **PRIORITY SCHOOL PROJECTS LIST**

The Board of Trustees of the Chico Unified School District evaluated the District’s urgent and critical facility needs, including safety issues, enrollment trends, class size, class size reduction, and computer and information technology, in developing the scope of projects to be funded. The District conducted a facilities evaluation in developing this Priority School Projects List. The Board concluded that if these needs are not addressed now, the problems will only become more pressing. Therefore, in approving this Project List, the **Board of Trustees determines that the District should:**

- (i) **Repair and replace leaky roofs for student safety and to reduce operating costs;**
- (ii) **Provide modern classroom technology and computers to support academic and job training programs;**
- (iii) **Modernize outdated classrooms, restrooms, school facilities and fields;**
- (iv) **Replace aging and broken heating, plumbing, electrical and heating, ventilation and air conditioning systems and other upgrades to reduce operating costs and improve energy efficiency;**
- (v) **Install energy efficient systems, including solar options;**
- (vi) **Retain all bond money to be used in our local community and not allow it to be taken by the State.**

#### **District-Wide Upgrading of Computer Technology Projects**

- Provide and maintain up-to-date technology, data and communication equipment.
- Upgrade and replace classroom instructional equipment.

### School Renovation, Repair and Upgrade Projects

- Replace older heating, **plumbing**, ventilation, air conditioning, **electrical** and lighting **systems** with building code compliant, energy efficient systems which will conserve electricity and save on costly utility bills.
- **Repair or replace leaky roofs.**
- Replace existing wiring systems to meet current electrical and accessibility codes and increase capacity.
- Install additional electrical service capacity to improve computer technology and internet access.
- Upgrade aging classrooms and restrooms.

### School Health and Safety and Energy Efficiency School Projects

#### Student Safety

- Install emergency communications and security systems, including fencing.
- Upgrade schools to meet handicap accessibility requirements.
- **Upgrade fire alarm systems to automatic systems, repair fire safety equipment, add smoke detectors, sprinklers and fire safety doors.**
- Upgrade school site parking, utilities and grounds.
- Remove hazardous materials.

#### Energy Efficiency Returns Savings to the Classroom

- Install energy efficient systems, including solar panels, to reduce energy/utility costs and return savings to educational programs.
- **Replace existing window systems with energy efficient systems to reduce costs.**
- Replace outdated heating and ventilation systems.
- Install water conservation systems.
- Improve insulation and weather proofing to reduce energy use.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the Priority School Projects List also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the interim funding incurred to advance fund projects from the Priority School Projects List and the refinancing of outstanding lease obligations; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation,

remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replacement of worn-out and leaky roofs, windows, walls, doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities, including administrative and physical education buildings and properties; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping and play fields; expand parking; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces, upgrade classrooms, bleachers, kitchens, repair, upgrade and install interior and exterior lighting systems; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts 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 more enhanced and operationally efficient campuses. Necessary site preparation/ restoration 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, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. 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 bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. 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 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.