

RESOLUTION #14/15-01

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE LOS ALTOS SCHOOL DISTRICT
ORDERING A SCHOOL BOND ELECTION AND
AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Board of Trustees ("Board") of the Los Altos School District ("District"), within the County of Santa Clara, California is authorized to order elections within the District and to designate the specifications thereof, pursuant to sections 5304 and 5322 of the California Education Code ("Education Code");

WHEREAS, Los Altos' award-winning local public and charter schools have been attracting new families to the area for years, increasing student enrollment by more than 1,000 students since 2004 to what is now the highest level since the 1970s;

WHEREAS, the greater Los Altos community is experiencing rapid growth, with multiple development projects putting pressure on our schools to accommodate growing enrollment now and in the future;

WHEREAS, the District convened an inclusive, diverse Enrollment Growth Task Force, which recommended additional classrooms and school space;

WHEREAS, a facilities specialist held site visits at all 10 local schools in April, 2014, and the Los Altos School District Facilities Master Plan Advisory Committee ("Master Plan Advisory Committee"), made up of parents and teachers from all of our public schools including the public charter school, produced options and recommendations for increasing school capacity;

WHEREAS, the District will consider the Master Plan Advisory Committee's recommendations as it finalizes a Facilities Master Plan, and passing a bond measure would allow the District to begin implementing the master plan;

WHEREAS, a bond measure will preserve small neighborhood schools and ensure that school quality and safety is maintained as enrollment grows;

WHEREAS, keeping Los Altos schools among the best in the state helps maintain high property values;

WHEREAS, a bond measure will provide local funds that cannot be taken by the State that will be used to ensure Los Altos schools remain safe and up-to-date;

WHEREAS, an independent Citizen's Oversight Committee will ensure all funds from this measure are spent properly and funds may be used for educational purposes only and no money will be spent on litigation or administrators' salaries;

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to section 15100 *et seq.* of the California Education Code;

WHEREAS, pursuant to section 18 of Article XVI and section 1 of Article XIII A of the California Constitution, and section 15266 of the California Education Code, school districts may seek approval of general obligation bonds and levy an *ad valorem* tax to repay those bonds upon a 55% vote of those voting on a proposition for that purpose, provided certain accountability measures are included in the proposition;

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors to be approved by fifty-five percent (55%) of the votes cast;

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election or special election, or at a regularly scheduled local election, as required by section 15266 of the California Education Code, and on November 4, 2014, an election is scheduled to occur throughout the District;

WHEREAS, pursuant to section 15270 California Education Code, 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 \$30 per year per \$100,000 of assessed valuation of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution;

WHEREAS, section 9400 *et seq.* of the California 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;

WHEREAS, in the judgment of the Board, it is advisable to request that the Santa Clara County Registrar of Voters ("County Registrar") act as the election official and call an election and submit to the registered voters of the District the full ballot proposition as detailed below, in coordination with each other as necessary;

WHEREAS, it is the recommendation of District staff that the District retain bond counsel and a financial advisor to assist the District with the process of calling a bond election and, if the bond election is successful, with the subsequent structuring and documenting of a bond issuance for the purposes set forth herein;

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

WHEREAS, it is the intent of the Board to maintain or expand park and open space to support the needs of students and the community and to design the bond program to maximize recreational space and opportunities for public use;

WHEREAS, the District shall not build new school buildings on city-owned land at Rosita or McKenzie Parks.

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Trustees of the Los Altos School District as follows:

Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 *et seq.*, and section 15266 of the California Education Code, an election shall be held within the District on November 4, 2014, for the purpose of submitting to the registered voters of the District the full ballot proposition contained in **Exhibit B** ("Full Ballot Text"), which Full

Ballot Text is hereby approved. The County Registrar shall provide for the performance of its duties in accordance with Education Code section 5303.

Section 2. Abbreviation of Proposition. Pursuant to section 13247 of the California Elections Code and section 15122 of the California Education Code, the Board hereby directs the County Registrar to use the abbreviation of the Full Ballot Text that is attached hereto as **Exhibit A.**

Section 3. Voter Pamphlet. The County Registrar is hereby requested to reprint the Full Ballot Text in its entirety in the voter information pamphlet to be distributed to voters pursuant to section 13307 of the California Elections Code. In the event the Full Ballot Text is not reprinted in the voter information pamphlet in its entirety, the County Registrar is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

"The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the Santa Clara County Registrar of Voters at _____ and a copy will be mailed at no cost to you."

Section 4. Accountability Measures. Pursuant to legal requirements, and as specified in the Full Ballot Text, the Board certifies that the District:

- (a) Has evaluated the facilities needs of the District in light of dramatic enrollment growth in recent years and has evaluated student enrollment growth in addition to safety, class size reduction and information technology needs in developing the Bond Project List contained in the Full Ballot Text;
- (b) Will establish an Independent Citizens' Oversight Committee to ensure that bond proceeds are expended only for the school facilities projects described in the Bond Project List, in accordance with Education Code section 15278 et seq.;
- (c) Will conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List;
- (d) Will conduct or cause to be conducted an annual independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List; and
- (e) Shall take all actions to establish an account in which proceeds of the sale of the bonds will be deposited, and to cause a report to be filed with the Board no later than each January 1 identifying proceeds received and expended in the past fiscal year and the status of any project funded or to be funded with bond proceeds. The first report shall be due no later than January 1 of the first year after which bonds have been issued and proceeds spent.

Section 5. Required Vote. Pursuant to section 18 of Article XVI and section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least fifty-five percent (55%) of those voters voting on the proposition.

Section 6. Request to County Officers to Conduct Election/Cost of Election. The County Registrar is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications. The District will reimburse the Registrar and the County for costs associated with the election as required by law.

Section 7. Consolidation of Election and Canvass of Vote.

(a) Pursuant to section 15266(a) of the California Education Code, the election shall be consolidated with the election on November 4, 2014.

(b) The Board of Supervisors of Santa Clara County is authorized and requested to canvass the returns of the election, as necessary, pursuant to section 10411 of the California Elections Code.

Section 8. Delivery of Order of Election to County Officers. The Clerk of the Board is hereby directed to deliver or cause to be delivered, no later than August 8, 2014, (which date is 88 days prior to the date set for the election), one copy of this Resolution to the County Registrar with the completed Tax Rate Statement (in substantially the form attached hereto as **Exhibit C**), completed and signed by the Superintendent or his designee, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of Santa Clara County.

Section 9. Ballot Arguments. The members of the Board are hereby authorized to prepare and file with the County Registrar a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the County Registrar.

Section 10. Further Authorization. The members of this Board, the Superintendent, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including modification of the Full Ballot text, ballot measure summary or Tax Rate Statement if he or she determines such modifications are necessary and in the District's best interests. Any such modifications shall be ratified thereafter by the Board.

Section 12. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, August 4, 2014, by the following vote:

AYES: Goines, Logan, Luther, Smith

NAYS: None

ABSTAIN: Taglio

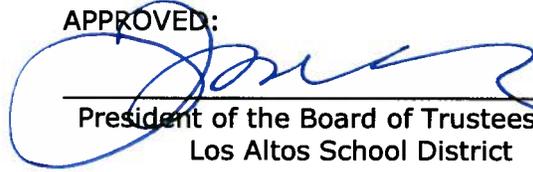
ABSENT: None

Attest:



Clerk of the Board of Trustees of the
Los Altos School District

APPROVED:



President of the Board of Trustees of the
Los Altos School District

EXHIBIT A

SUMMARY OF BALLOT MEASURE

To accommodate growing student enrollment and avoid public elementary and junior high school overcrowding by expanding and upgrading schools, preserving quality small neighborhood schools, upgrading classrooms and labs to keep them safe, clean and in good repair, updating learning technology, maximizing energy efficiency and acquiring, constructing or equipping classrooms, facilities and sites, shall the Los Altos School District issue \$150 million in bonds at legal rates, with independent citizens' oversight, annual audits and no money for administrators' salaries?

EXHIBIT B

LOS ALTOS SCHOOL DISTRICT BOND PROPOSITION FULL BALLOT TEXT

By approval of this proposition by at least 55% of the registered voters voting thereon, the Los Altos School District shall be authorized to issue and sell bonds of up to \$150 million in aggregate principal amount to provide financing for the specific school facilities projects listed below in the Bond Project List, subject to all of the accountability safeguards specified herein.

KEY FINDINGS

The Los Altos School District is committed to continuing a strong, high-quality educational program for the students in all of its local public schools.

Award-winning local public schools and the public charter school have been attracting new families to the Los Altos area for years. Student enrollment increased from 4,061 students in 2004 to 5,190 in 2013. That's the highest level since the 1970s, when we had 12 school sites to serve our children rather than the nine in place today.

To meet the challenge presented by dramatic student enrollment growth, the District convened an inclusive, diverse Enrollment Growth Task Force, which recommended additional classroom and school space. A facilities specialist held site visits at all 10 local schools in April, and the Los Altos School District Facilities Master Plan Advisory Committee, made up of parents and teachers from all of our public schools including the public charter school, produced options and recommendations for increasing school capacity.

Through this process, the Los Altos School District Board determined that the District must:

- Develop projects to avoid overcrowding and accommodate growing student enrollment in all local public schools, including the public charter school
- Repair and maintain schools to keep educational facilities safe, clean and in good repair
- Update aging classrooms and science labs
- Improve safety and traffic flow around schools
- Upgrade educational technology for 21st Century learning

ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at section 15264 *et seq.* of the California Education Code).

Evaluation of Needs. The Board of Trustees has evaluated the facilities needs of the District, and has identified projects to finance from a local bond measure at this time. The Board of Trustees hereby certifies that it has evaluated safety, student enrollment growth, class size reduction and information technology needs in developing the Bond Project List.

Facilities Master Plan Advisory Committee. An advisory committee of citizens, including parents and teachers from all public schools and the public charter school, shall be appointed or designated by the Board to provide input to the Board regarding the Facilities Master Plan and the projects to be completed consistent with the Master Plan and the Bond Project List described herein. The committee shall gather input from a cross section of the Los Altos community. The Board shall provide by resolution for the composition, duties, funding, and other necessary information regarding the committee's formation and operation, consistent with Board Policy/Administrative Regulation 1220. The existing advisory committee, with additional community representation, shall form the nucleus of this committee in the initial implementation of its duties.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee in accordance with Education Code Sections 15278-15282 and applicable Board policy, to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date when the Board of Trustees enters the results of the election in its minutes.

Annual Performance Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

Annual Financial Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

Annual Report to Board. Upon approval of this measure and the sale of any bonds approved, the Board of Trustees shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board of Trustees no later than January 1 of each year, commencing on the first January 1 after bonds have been issued and proceeds spent, stating (1) the amount of bond proceeds received and expended in the past fiscal year, and (2) the status of any project funded or to be funded from bond proceeds. The report may be incorporated into the annual budget, annual financial report, or other appropriate routine report to the Board.

BOND PROJECT LIST

This Bond Project List, which is an integral part of this proposition, describes the specific projects the District proposes to finance with proceeds of the bonds.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

In order to meet all identified facilities needs, the District intends to complete projects using a combination of funding sources. These sources may include joint-use funds, development impact fees, state funds, and other available funds. The District will pursue state matching funds if and when they become available, and if received, they will be used for and mainly

applied to projects on the Bond Project List or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c). No project is dependent on the receipt of state funding for completion.

Projects listed below may be completed at any and all school sites where such project is determined necessary, and projects are authorized to be performed at each and all of the District's schools and sites, including without limitation:

Almond Elementary School
Blach Intermediate School
Bullis Charter School
Covington Elementary School
Egan Junior High School
Gardner Bullis Elementary School
Loyola Elementary School
Oak Elementary School
Santa Rita Elementary School
Springer Elementary School

Specific projects to be funded by the bond measure include, without limitation, the following:

I. PROJECTS TO AVOID SCHOOL OVERCROWDING AND ACCOMMODATE GROWING STUDENT ENROLLMENT

- Expand existing school facilities to accommodate growing student enrollment.
- Construct new classrooms, libraries, multipurpose buildings, and other essential buildings for the purpose of housing students on new or leased land acquired by the District, to accommodate growing student enrollment and avoid school overcrowding.
- Add restrooms to accommodate enrollment growth on existing campuses.
- Expand libraries, flexible classrooms, science, engineering, technology and math classrooms (STEM) and other educational facilities to accommodate enrollment growth on existing campuses.
- Acquire, construct, develop, redevelop, modify and/or reconfigure sites and/or facilities, including furnishings and equipment, to enable the District to house all public school in-District students, and to continue to house those attending Bullis Charter School in conditions reasonably equivalent to those attending District-run schools, all in a manner not inconsistent with the provisions of Proposition 39 (Education Code section 47614).
- Make site improvements associated with expanding existing campuses, accommodating new or expanded facilities or constructing campus facilities, including utilities, hard courts, roadways, parking lots, paving, fields and outdoor learning areas and equip and furnish all such projects.

II. SCHOOL UPGRADES AND REPAIRS TO KEEP EDUCATIONAL FACILITIES SAFE, CLEAN AND IN GOOD REPAIR

- Replace aging roofs, utilities, heating, ventilation and air conditioning (HVAC) systems, emergency and fire systems and provide for other needed major maintenance by establishing programs to support repair work needed for classrooms, labs and other school facilities for the next decade.
- Make safety improvements and code upgrades to building exteriors; make structural upgrades to classrooms, labs and facilities, including Title 24 and ADA improvements to improve access for students and teachers with disabilities.
- Acquire and install energy efficiency systems to reduce energy/utility costs.
- Improve traffic flow around schools for student and neighborhood safety.
- Replace aging portable classrooms with permanent classrooms to accommodate enrollment growth and to provide safe and modern educational facilities.
- Pay off capital leases or other lease-based obligations.
- Purchase and install new furnishings and equipment for existing and newly constructed, modernized or rehabilitated classrooms and facilities.
- Replace worn, broken, or out-of-date furniture and equipment for all classrooms and other facilities as needed.
- Improve food service facilities, servery and outdoor eating areas, including new paving and shade structures.
- Upgrade and repair classrooms, labs and other educational facilities, including interior improvements, infrastructure and building system upgrades.

III. EDUCATIONAL TECHNOLOGY UPGRADES FOR 21ST CENTURY LEARNING

- Acquire, upgrade and repair technology and communication infrastructure including, without limitation, cabling and wireless infrastructure, network hardware and software, and other shared access equipment such as digital whiteboards, document cameras, projectors, and printers.
- Add, update and expand telecommunications, classroom sound enhancement, and digital media production capabilities.
- Acquire and upgrade software, computers, and other classroom instructional equipment.

Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as feasible, and the listing of projects does not imply a particular prioritization among such improvements. Listed projects may be completed at any and all school sites where such project is determined necessary. Decisions regarding the scope, timing, prioritization or other facets of project implementation will be made solely by the Board of Trustees by subsequent action in accordance with a Facilities Master Plan and with input from the Facilities Master Plan Advisory Committee. In implementing the Bond Project List, it is the intent of the Board to maintain or expand park and open space to support the needs of students and the community. The bond program shall be designed to maximize recreational space and opportunities for public use.

For any listed project involving renovation or modernization of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the District determines that replacement and new construction is more practical than renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors. In addition, where feasible, projects may be completed in partnership with other agencies on a joint use basis.

Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff, staff training expenses associated with new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, and temporary housing for dislocated programs or activities caused or necessitated by construction projects.

The final cost of each project will be determined as plans are finalized 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. Necessary site preparation/grading/restoration may occur in connection with new construction, modernization, renovation or remodeling, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, leases, licenses, or rights of way to the property.

ADDITIONAL SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

Other Terms of the Bonds. The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Trustees pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the average useful life of bonds sold will not exceed 125% of the average life of the projects being financed or as otherwise provided by federal tax law.

**EXHIBIT C
TAX RATE STATEMENT**

An election will be held in the Los Altos School District (the "District") on November 4, 2014, to authorize the sale of up to \$150 million in bonds of the District to finance school facilities projects as described in the bond project list. If such bonds are authorized and sold, principal and interest on the bonds will be payable from the proceeds of tax levies made upon taxable property in the District. The following tax rate estimates are provided by the District in order to meet the requirements of Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax rate that will be required to be levied to fund principal and interest on bonds issued under this measure during the first fiscal year after the sale of the first series of bonds is \$0.03000 per \$100 of assessed value (or \$30.00 per \$100,000 of assessed value) in fiscal year 2015-16.
2. The best estimate of the tax rate that will be required to be levied to fund principal and interest on bonds issued under this measure during the first fiscal year after the sale of the last series of bonds is \$0.03000 per \$100 of assessed value (or \$30.00 per \$100,000 of assessed value) in fiscal year 2019-20.
3. The best estimate of the highest tax rate that will be required to be levied to fund principal and interest on bonds issued under this measure is \$0.03000 per \$100 of assessed value (or \$30.00 per \$100,000 of assessed value) in fiscal year 2015-16.

Voters should note that the estimated tax rates will apply to the assessed valuations of taxable properties in the District, not on their market values. In addition, taxpayers eligible for any property tax exemption, including the homeowner's exemption, will be taxed at a lower effective rate than described above. Property owners should consult their own property tax bills and/or 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 estimated tax rates and fiscal years shown above apply only to bonds issued under this measure and are based on current projections of the District. Actual future tax rates are likely to vary from those shown above and will be determined by the County in each future year based on principal and interest payments coming due in such year and the size of the District's tax base at the time that such rates are established. Factors influencing the amount of principal and interest payments coming due in a given future year include the timing and sizing of each bond sale, the principal repayment structure for each series, and the interest rates that are then established. The timing, sizing, and repayment structure of future bond sales will be determined by the District based on the need for project funds, projected tax rate impacts, debt management considerations and other factors. The actual interest rates established will depend on bond market conditions at the time of each sale and other factors. Actual future assessed valuations of the District will depend on the amount and value of taxable property within the District as determined by the Santa Clara County Assessor's Office in the annual assessment and equalization process.

Dated: August 4, 2014



Jeffrey Baier, Superintendent
Los Altos School District