



Local ballot measure: B

B

Santa Cruz Elementary School District Bond Measure

Ballot question

To repair/upgrade neighborhood elementary school classrooms and facilities, including deteriorated roofs, plumbing, and electrical systems; remove hazardous materials; renovate, construct/equip, acquire classrooms, facilities and technology infrastructure to support programs in reading, math, science, arts and technology; improve school safety/security; and replace outdated portables with modern classrooms; shall Santa Cruz City Elementary School District issue \$68 million in bonds at legal interest rates, with independent citizen oversight, annual audits and all funds dedicated locally to Santa Cruz elementary schools?

Pregunta de Boleta

Para reparar/mejorar las aulas de escuelas primarias del vecindario y sus instalaciones, incluidos techos deteriorados, plomería y sistemas eléctricos; eliminar materiales peligrosos; renovar, construir o equipar y adquirir aulas, instalaciones e infraestructura de tecnología para apoyar los programas de lectura, matemáticas, ciencias, arte y tecnología; mejorar la higiene y seguridad escolar; y reemplazar portátiles desactualizadas por aulas modernas; ¿debe el Distrito de Escuelas Primarias de la Ciudad de Santa Cruz emitir \$68 millones en bonos a tasas de interés legales, con supervisión ciudadana independiente, auditorías anuales y todos los fondos destinados a las escuelas primarias de Santa Cruz?

What your vote means

YES	NO
A "Yes" vote is to authorize the bonds to be issued and financed by ad valorem taxes levied on real property in the School District.	A "No" vote is a vote against issuing the proposed bonds.

For and against Measure B

FOR	AGAINST
<p>Ryan Coonerty Supervisor, Santa Cruz County</p> <p>David Terrazas Santa Cruz City Councilmember</p> <p>Pam Hernandez Retired Teacher</p> <p>Bill Tysseling CEO, Santa Cruz Area Chamber of Commerce</p> <p>Jim Logsdon, Retired School Superintendent, Longtime Resident</p>	<p>No argument against Measure B was filed.</p>



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Arguments and replies are the opinions of the authors. We print them exactly as submitted, including errors.

Argument for Measure B

Every child deserves to learn in safe, quality school facilities. Help make it true for the children of Santa Cruz. **VOTE YES on Measure B** for Santa Cruz City Elementary School District.

Our neighborhood elementary schools work hard everyday providing a high quality education to local children. However, most schools are now over 50 years old (the Branciforte Small Schools site is over 100!). After constant use over many decades, facility problems are common. Without basic upgrades and renovations for 21st century instruction, our local quality of education will suffer.

Measure B provides an essentials-only plan to address the most critical needs for improved safety and learning. NO other funding currently exists to properly upgrade these facilities.

Measure B will:

- **Repair** deteriorated roofs, plumbing, HVAC, lighting, and electrical systems
- **Renovate** aging classrooms and school facilities to support student achievement in reading, math, science, arts and technology
- **Upgrade** educational technology for 21st century instruction
- **Remove** hazardous materials (asbestos, lead paint, etc.)
- **Replace** aging portables with modern, permanent classrooms
- **Improve** school safety, security and access for disabled children

ALL FUNDS STAY LOCAL. The State CANNOT take this funding away or use it for other purposes.

MANDATORY taxpayer safeguards are included. NO funds are allowed for administrators' salaries. Independent Citizens' Oversight and annual audits ensure funds are spent properly.

Passing Measure B qualifies Santa Cruz City ESD to **receive millions in State matching money.** Without Measure B, those funds will go to others that have passed local measures.

Whether or not you have school-age children, protecting the local quality of education is a wise investment. Studies show that teachers and students perform better in quality schools. Good schools also protect property values and keep our community strong.

Please! Make your vote count – for our children, for our community.

At the bottom of your ballot, VOTE YES on B.

RepairSantaCruzSchools.com

Ryan Coonerty

Supervisor, Santa Cruz County

David Terrazas

Santa Cruz City Councilmember

Pam Hernandez

Retired Teacher

Bill Tysseling

CEO, Santa Cruz Area Chamber of Commerce

Jim Logsdon

Retired School Superintendent, Longtime Resident

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Impartial analysis of Measure B

Dana McRae, County Counsel

By Jane M. Scott, Assistant County Counsel

If approved by at least fifty-five percent of those voting on the measure, this measure will authorize the Santa Cruz City Elementary School District (the "District") to issue general obligation bonds in an aggregate principal amount not exceeding \$68,000,000. The bonds would constitute an indebtedness of the District.

Payment of interest and principal relating to the bonds would be financed by an ad valorem tax levied on real property within the District. The Tax Rate Statement for Measure B which was provided by the District and is printed in this ballot pamphlet provides information about the estimated amount of that tax.

The money raised through the sale of the bonds may only be used by the District for the purposes stated in the ballot materials and not for any other purpose, such as teacher or administrator salaries or other operating expenses.

To ensure that the bond monies are expended for the approved purposes, the Board of Trustees of the District will cause an annual independent performance audit to be conducted. It will also cause an annual independent financial audit to be conducted, and the appointment of a citizens' oversight committee.

The interest rate paid on the bonds and their terms to maturity are not specified in the Resolution, although the maximum rate and number of years will be limited by State law.

This Measure will have no effect on existing levies.

This measure was placed on the ballot by the District's Board of Trustees.

A "yes" vote on Measure B is a vote to authorize the bonds to be issued and financed by ad valorem taxes levied on real property in the School District.

A "no" vote on Measure B is a vote against issuing the proposed bonds.

Tax Rate Statement Measure B

Kris Munro, Santa Cruz City Schools District Superintendent

An election will be held within the boundaries of Santa Cruz City Elementary School District ("School District") on November 8, 2016 to authorize the sale of up to \$68,000,000 in bonds to finance facilities as described in the proposition. If the bonds are approved, the School District expects to sell the bonds in multiple series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property located within the School District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate 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 \$.0295 per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate 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 \$.0295 per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2023-24.
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 \$.0295 per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2017-18.
4. The best estimate of the average 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 \$.0278 per \$100 (\$27.81 per \$100,000) of assessed valuation.
5. The best estimate of total debt service, including principal and interest, which would be required to be repaid if all the bonds are issued and sold is \$115,225,300.

Voters should note that the estimated tax rate is based on the ASSESSED VALUE of taxable property on the County of Santa Cruz 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 School District's projections and estimates only, which are not binding upon the School District. The actual tax rates, debt service and the years in which they will apply may vary from



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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 School District based on 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 School District as determined by the County Assessor in the annual assessment and the equalization process.

Full text of Measure B

By approval of this proposition by at least fifty-five percent (55%) of the registered voters voting thereon, the Santa Cruz City Elementary School District shall be authorized to issue and sell bonds of up to \$68 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.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

KEY FINDINGS

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

The Santa Cruz City Elementary School District, in partnership with parents and community, strives to provide a safe and supportive environment where students develop a solid foundation to become productive, responsible citizens, and lifelong learners. To meet these goals, the District must provide students with safe, secure and clean facilities, and provide access to 21st century classrooms, technology and school facilities.

Specifically, the Board of Trustees desires, among other projects, to:

- Renovate or convert aging classrooms, buildings and interiors to accommodate 21st century learning methods;
- Update classrooms, facilities and instructional technology systems;
- Fix or replace deteriorating roofs, plumbing, electrical, lighting and HVAC systems;
- Improve student safety and campus security systems;
- Refurbish playfields and update playground equipment and surfacing;
- Upgrade support facilities that maintain and enhance student learning and educational programs.

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, class size reduction and information technology needs in developing the Bond Project List.

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 sixty (60) days of the date when the Board of Trustees enters the results of the election in its official 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.



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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 (if available), 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 implementation.

Projects listed below may be completed at any and all schools, sites and facilities, including support facilities and other District-owned properties, where such project is determined necessary, including without limitation:

- Bay View Elementary
- DeLaveaga Elementary
- Gault Elementary
- Westlake Elementary
- Branciforte Small Schools
- Natural Bridges Campus

The bond measure will fund renovations and repairs to keep facilities safe, clean and accessible; upgrade facilities to support 21st Century teaching and learning methods, as follows:

- Repair or replace old roofing, outdated and inefficient electrical and plumbing systems; HVAC (ventilation) and LED lighting.
- Renovate or reconstruct aging classrooms; add and equip new classrooms to support 21st Century teaching and learning methods.
- Remove hazardous materials like asbestos and lead paint from older school facilities.
- Improve ADA access and education facilities for students with disabilities and special medical needs.
- Modernize classrooms and facilities to support student learning and equip with new 21st Century flexible furniture;
- Improve technology infrastructure in order to enhance student learning.
- Improve student safety and campus security systems, including security lighting, security cameras, emergency communications systems, smoke detectors, fire alarms, and sprinklers.
- Repair, improve or replace physical education spaces to enhance student education, community and co-curricular events.
- Renovate or construct and equip student support spaces such as multipurpose rooms, libraries, worn-out playground equipment and fitness rooms;
- Improve campus safety and traffic circulation, including upgrading parking lots and/or providing additional school drop-off areas;
- Replace portable classrooms and childcare buildings with new modern permanent classrooms.
- Renovate school and office interiors and create distinct pre-kindergarten and transitional kindergarten spaces and classrooms;
- Update or replace landscaping, refurbish playfields, surfacing and irrigation systems.



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- Install new District-wide phone system;
- Install or acquire energy management/solar energy systems.

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 District schools, sites and education buildings where such project is determined necessary, and not all projects will be completed at every site. Decisions regarding the scope, timing, prioritization or other facets of project implementation will be made solely by the Board of Trustees by subsequent action. Where terms such as “renovate,” “update,” and “improve” are used in the Bond Project List, the Board of Trustees shall determine the best method for accomplishing the project’s objective. 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 using bond proceeds.

Each project is assumed to include its share of costs of bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff and consultants, staff development and training expenses associated with learning construction techniques and approaches, 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, permit and inspection fees, and housing and relocation costs 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 weighted average maturity of bonds sold will not exceed one hundred twenty percent (120%) of the average useful life of the projects being financed or as otherwise provided by state or federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.