

## RESOLUTION NO. 2016-15

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

WHEREAS, the Board of Trustees (the “Board”) the Manhattan Beach Unified School District (the “District”) has determined that the 65 year old gymnasium at Mira Costa High School needs to be replaced with a new gymnasium and activities center, including instructional space and the renovation or replacement of bathrooms, air conditioning, heating, electrical and plumbing systems, to enable the District to improve the health and safety and the quality of education for students in the District; and

WHEREAS, notwithstanding concerted and ongoing efforts by the District to obtain sufficient facility money from the State of California (the “State”), the State has been unable to provide the District with enough money for the District to adequately construct and repair schools to provide an optimal learning environment for all students; and

WHEREAS, in the judgment of the Board, additional facility funding by means of a general obligation bond is needed to replace the gymnasium at Mira Costa High School with a new gymnasium and activities center, including instructional space and the renovation or replacement of bathrooms, air conditioning, heating, electrical and plumbing systems; 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 on 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, as of its effective date, reduced the voter threshold for *ad valorem* tax levies used to pay for debt service or 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 required by Proposition 39 and the Act; and

WHEREAS, the Board desires to submit a proposition to the District’s voters at an election to authorize the issuance of general obligation bonds to pay for the cost of constructing and equipping a new gymnasium and activities center, including instructional space and the renovation or replacement of bathrooms, air conditioning, heating, electrical and plumbing systems, at Mira Costa High School; 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 administrative salaries or other operating expenses of the District shall be strictly enforced by a Citizens' Oversight Committee to be appointed by the Board in accordance with the Act; 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 limit per year of \$60 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 now 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 8, 2016, and to request that the Los Angeles County Registrar of Voters perform certain election services for the District;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE MANHATTAN BEACH 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 Los Angeles 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 \$39,000,000 (the "Bonds") shall be issued and sold for the 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 8, 2016.

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" and incorporated by reference herein, 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 proposition in Exhibit "A" is subject to the following requirements and determinations:

(a) that the proceeds of the sale of the Bonds shall only be used for the purposes specified in Proposition 39 and authorized by the ballot proposition 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 and information technology needs of the District;

(c) that the Board will cause an annual, independent performance audit to be conducted to ensure that the Bond moneys are expended only 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 will 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 Elections Code Section 15274; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limit of \$60 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 Los Angeles County Registrar of Voters and the Los Angeles County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2016 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Los Angeles County Registrar of Voters no later than August 12, 2016.

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 not exceeding the maximum permitted thereunder. 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. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Los Angeles County Registrar of Voters by the established deadlines.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Los Angeles 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 Los Angeles County, such services to

include the printing of the Full Text Ballot Proposition set forth in Exhibit “B” in the voter pamphlet, 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.

Section 11. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 13th day of July, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

BOARD OF TRUSTEES OF THE  
MANHATTAN BEACH UNIFIED SCHOOL  
DISTRICT

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Clerk

CLERK'S CERTIFICATE

I, \_\_\_\_\_, Clerk of the Board of Trustees of the Manhattan Beach Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on July 13, 2016, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July \_\_, 2016

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Clerk of the Board of Trustees

EXHIBIT A

To replace the 65 year old high school gymnasium by constructing and equipping a new gymnasium and activities center, including instructional space and the renovation of bathrooms, air conditioning, heating, electrical and plumbing systems, shall Manhattan Beach Unified School District issue 39 million dollars in bonds at legal interest rates, with independent citizen oversight and audits?

Bonds - Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION  
OF THE MANHATTAN BEACH UNIFIED SCHOOL DISTRICT  
BOND MEASURE ELECTION NOVEMBER 8, 2016

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

To replace the 65 year old high school gymnasium by constructing and equipping a new gymnasium and activities center, including instructional space and the renovation of bathrooms, air conditioning, heating, electrical and plumbing systems, shall Manhattan Beach Unified School District issue 39 million dollars in bonds at legal interest rates, with independent citizen oversight and audits?

**PROJECT LIST FOR THE BOND MEASURE**

Bond proceeds will be expended to replace the 65 year old high school gymnasium at Mira Costa High School with a new gymnasium and activities center located at the school. The improvements will include constructing and equipping a main gymnasium, a second, smaller gymnasium and a variety of adjacent rooms for instruction, athletics and physical education, including physical education classrooms, a study learning center, team rooms, locker rooms, activity rooms, coaches rooms and storage. The improvements will also include the renovation of bathrooms, air conditioning, heating, electrical and plumbing systems needed for the gymnasium and activities center.

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In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

Implementation of Construction Program. Each project financed will include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that are financed by the District on an interim basis through temporary loans, leases, lease-leaseback, or lease-purchase arrangements. Where the term “renovate,” is used in the foregoing Project List for the Bond Measure, the Board of Trustees shall determine the best method for accomplishing the project’s objective. For any listed project involving renovation of all or a portion of a building or facility, 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.

The budget for each project is an estimate and may be affected by factors beyond the District’s control. The final cost of each project will be determined as plans are finalized, construction bids are

awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be undertaken.

Bond proceeds shall be expended only for the specific purposes identified herein. 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 the bond projects. 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 § 15272, the Board of Trustees will establish a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above 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 shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not 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 construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose. No funds will be used toward teacher or administrator salaries or other operating expenses.