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**Chino Valley Unified School District
Resolution 2016/2017-03**

Resolution of the Board of Education of the Chino Valley Unified School District of the County of San Bernardino, California, Ordering an Election to Authorize the Issuance of General Obligation Bonds, Establishing Specifications of the Election Order, and Requesting Consolidation With Other Elections Occurring on November 8, 2016

WHEREAS, the award-winning local schools of the Chino Valley Unified School District (the "District") offer full-service schools that are essential to meet students' social, emotional and academic needs, including programs such as after-school tutoring, computer, math and science labs, arts and physical education, career education programs that can train students for jobs such as health care, computer science, engineering and other quality job training opportunities, and by repairing and upgrading classrooms and facilities, the District can continue to increase opportunities for local students; and

WHEREAS, school career education programs that train students for jobs such as health care, computer science and engineering need to be expanded, and the District desires to provide the labs, classrooms and equipment for quality job training opportunities, allowing students who do not go to college to acquire real-world skills and the ability to be competitive in the job market when they graduate; and

WHEREAS, the District's award winning schools significantly outperform the County and State average, our teachers have been recognized as educators of the year at the County and State levels, and the District wishes to continue to retain and attract quality teachers by investing in our aging schools and providing additional funding for the improvement, construction, equipping and furnishing of District facilities to ensure that District teachers and students have improved, safe and efficient classrooms, laboratories and technology necessary to maintain a high level of academic excellence; and

WHEREAS, many local District schools were built decades ago – some in the 1950s and are outdated, deteriorating and require improvements and basic repairs such as replacing older plumbing systems and rusty, corroded water pipes found in many schools while ensuring safe drinking water, removing asbestos and lead paint, fixing restrooms, leaky roofs and updating fire safety systems; and

WHEREAS, the District desires to maintain a good long-term investment for the community, and recognizes that improving neighborhood schools strengthens local property values, and makes our community a more desirable place to live, do business and raise a family; and

WHEREAS, the District desires a high level of fiscal accountability to the community, and this measure, as written, requires an independent citizens' oversight committee, and annual financial audits. By law, none of the money can be used for administrative salaries or pensions, or be taken by Sacramento; it must be used locally to improve our neighborhood schools and classrooms; and

WHEREAS, the District wishes to enact a funding mechanism that would make Chino Valley schools eligible for State matching funds that would otherwise go to other school districts; and

WHEREAS, in the judgment of the Board of Education of the District (the "Board"), it is advisable to call an election to submit to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold for the purpose of funding the construction, reconstruction, rehabilitation and replacement of District facilities, including the furnishing or equipping of District facilities, or the acquisition or lease of real property for District facilities and paying costs incident thereto; and

WHEREAS, the Board of the District, located within the County of San Bernardino, California, (the "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to finance and refinance the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the State Education Code (the "Education Code"); and

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 Education Code Sections 15100 *et seq.*; and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15264 *et seq.* of the Education Code (collectively, "Proposition 39") provide for a methodology by which the District may call for an election and, upon approval by 55% or more of the qualified voters voting on the bond measure, issue its general obligation bonds and cause the County to levy an *ad valorem* property tax to pay debt service on such bonds; and

WHEREAS, the Board has determined to be in the best interests of the District to call such an election under Proposition 39 (the "Election" or "Bond Election"), as further described herein; and

WHEREAS, such 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 Proposition 39; and

WHEREAS, the Board has determined that the general Statewide election to be conducted on November 8, 2016 (the "Election Date") meets the consolidation requirements of Proposition 39; and

WHEREAS, the Board wishes to specify the manner in which the District shall call a bond election on the Election Date and to demonstrate compliance with related requirements of the Constitution, the Education Code and the State Elections Code (the "Elections Code"); and

WHEREAS, the Board has determined that, based upon a projection of assessed property valuation, 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 maximum tax rate permitted by Section 15270 of the Education Code; and

WHEREAS, Section 9400 *et seq.* of 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 District has paid or expects to pay certain expenses with respect to projects on the Project List (as defined herein) (the “Reimbursable Expenses”) to which it desires to preserve its ability to reimburse the capital expenditures with proceeds of tax-exempt bonds issued pursuant to Proposition 39 and applicable law (the “Bonds”), as provided under section 1.150-2 of the regulations (the “Treasury Regulations”) promulgated under the Internal Revenue Code of 1986 (the “Tax Code”); and

WHEREAS, section 1.150-2 of the Treasury Regulations provides that such an allocation will be respected only if, *inter alia*, the District has declared its reasonable official intent to reimburse costs of the projects on the Project List incurred prior to but in anticipation of the issuance of debt;

NOW, THEREFORE, BE IT HEREBY RESOLVED, determined and ordered by the Board as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to Proceed under Proposition 39. The provisions of Proposition 39 shall control the administration of the election to consider the bond proposition or ballot measure of the District, such that a favorable vote of no less than 55% of the qualified voters voting at the election shall constitute approval thereof, and the Board hereby declares its intention to meet the applicable requirements of Proposition 39.

Section 3. Conduct of Election.

(a) *Request to County Officers*. Pursuant to Section 5303 of the Education Code, the Registrar of Voters of the County (the “Registrar”) is required to, and is hereby requested to, take all steps to hold the election in accordance with law and these specifications.

(b) *Ballot Measure*. Pursuant to Education Code Section 15122 and Elections Code 13247, the Board hereby orders and directs that the Registrar use the following ballot measure text on November 8, 2016 (the “Ballot Measure” or “Bond Measure”) on the ballot:

CHINO VALLEY UNIFIED SCHOOL DISTRICT STUDENT ACHIEVEMENT, REPAIR AND SAFETY MEASURE. To upgrade neighborhood schools and retain/attract quality teachers by repairing deteriorating classrooms/restrooms; replacing deteriorating, rusty pipes/ensuring safe drinking water; removing asbestos/lead paint; upgrading fire safety, science/computer labs, wiring, classroom technology; repairing, constructing, acquiring educational facilities, sites, equipment; shall Chino Valley Unified School District issue \$750,000,000 in bonds, at legal interest rates, requiring annual audits, independent citizens’ oversight, no money for administrators’ salaries/pensions, all funds used locally?

(c) *Voter Pamphlet.* The Registrar is hereby requested to reprint the Ballot Measure in its entirety (its "full text") as set forth in Exhibit A in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. If the full text of the Ballot Measure is not reprinted in the voter information pamphlet in its entirety, the Registrar is hereby requested to print, immediately below the impartial analysis of the Ballot Measure, 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 San Bernardino County Registrar of Voters at (909) 387 - 8300 or the Chino Valley Unified School District at (909) 628-1201, and a copy will be mailed at no cost to you. Measure _____ is also available at <http://www.chino.k12.ca.us>"

(d) *Accountability Measures.* As required by Section 53410 of the Government Code, a statement in substantially the following form shall be included on the Bond Measure ballot, and the Board covenants to comply with the reporting requirements contained in Section 53411 of the Government Code:

Accountability Measures

As required by Section 53410 of the Government Code, the following accountability measures are hereby made a part of the Bond Measure:

(i) The specific purpose of the bonds is set forth in the full text of the Bond Measure;

(ii) The proceeds from the sale of the District's bonds will be applied only for the purposes specified in the Bond Measure, and not for any other purpose;

(iii) The proceeds of the Bonds will be deposited into a Building Fund to be held by the San Bernardino County Treasurer, as required by the Education Code; and

(iv) The Superintendent of the District shall cause an annual report to be filed with the Board of Education of the District, the first report to be filed not later than one year after the issuance of the first series of the Bonds, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the Bond Measure, as required by Sections 53410 and 53411 of the Government Code."

(e) *State Matching Funds.* The District hereby requests that the Registrar include the following statement in the ballot pamphlet, pursuant to Section 15122.5 of the Education Code:

“Approval of Measure ____ does not guarantee that the proposed project or projects in the Chino Valley Unified School District that are the subject of bonds under Measure ____ will be funded beyond the local revenues generated by Measure _____. The school district’s proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.”

(f) *Required Vote.* Pursuant to Section 18, Article XVI and Section 1, Article XIII A of the Constitution of the State, the foregoing Bond Measure shall become effective upon the favorable vote of no less than 55% of those qualified voters voting on the proposition.

Section 4. Consolidation of Bond Election; Services of County. Pursuant to Section 1258 of the Education Code, the Superintendent of the District is hereby authorized to contract with the Registrar; the District hereby requests and authorizes the San Bernardino County Board of Supervisors to permit the County Elections Officials to render and perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of the Bond Election, including the consolidation of the Bond Election with the general primary election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in the County, and persons appointed and designated to serve as election officers for the Bond Election will be those determined, designated, and appointed pursuant to state law by the Registrar. The County is hereby requested to tally and canvass the returns of the election, in accordance with Section 10411 of the Elections Code. The District agrees to reimburse the County for all services related to the Bond Election, such services to include the publication of the Formal Notice and a Tax Rate Statement (described in Section 9401 of the Elections Code) pursuant to the terms of 5363 of the Education Code and Section 12112 of the Elections Code.

Section 5. Approval of Project List; Accountability Safeguards. The District has heretofore caused to be prepared a facilities master plan (the “Facilities Master Plan”) to evaluate and address capital improvement needs of the District that may be met, among other things, through the issuance of the Bonds. From the Facilities Master Plan, certain projects have been selected and identified on Exhibit A hereto, which is incorporated herein by this reference, and are hereby certified by the Board as the Project List (the “Project List”) for funding, either in whole or in part, with the proceeds of the Bonds. This certification of the Project List shall not be interpreted by and does not constitute an official approval of any listed project for CEQA or other purposes, but only as a statement of present intention of the Board. Furthermore, the listing of a capital improvement on the Project List does not imply any particular prioritization among such improvements, which remains the province of the Board by subsequent action. Notwithstanding the foregoing, only those acquisitions and other capital improvements included on the Project List may be funded, in whole or in part, with the proceeds of the Bonds. The costs of particular project components included in the Facilities Master Plan and which form the basis for the Project List are estimates only and not final cost statements. Additional moneys may be obtained for listed projects, in supplementation of the Bond proceeds, from any lawful source of moneys.

The Board hereby confirms that it has, in the development of the Project List, evaluated and taken into consideration safety, class size, and technology needs.

Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by the Board of the official results of the Bond Election by the County, the Board is required to appoint a Citizens Oversight Committee (the "Committee") to insure the District's compliance with the foregoing restrictions and to perform the duties established under the Education Code for such committees. If and when the official results of the Bond Election are certified by the Board, demonstrating that more than 55% of the qualified voters at the Bond Election voted to approve the Bond Measure, then the Board shall appoint the Committee as required by Proposition 39. To assist the Committee in its statutory obligations, the District shall cause to be conducted an annual independent performance audit and an annual independent financial audit on the expenditure of Bond proceeds; the audits shall be performed under contract with appropriate persons or firms as shall be subsequently brought for approval before the Board. The financial audit may be consolidated with the annual audit of the District's financial statement and may be performed by the same accounting firm, without further approval by the Board. The results of the annual audits performed hereunder shall be reported to the Board and to the Committee at least annually, and more often, if the Board shall so direct.

Section 6. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Proposition 39, the Board hereby confirms that no administrators' or teachers' salaries shall be paid or reimbursed, in whole or in part, from Bond proceeds, nor shall such proceeds be used to pay any other operating expenses of the District. Notwithstanding the foregoing, costs of administering the Bond Election and costs of issuance of the Bonds shall be lawful charges against Bond proceeds.

Section 7. Other Terms of the Bonds. Terms of each series of Bonds issued following the Bond Election shall be established at the time of sale thereof. The Bonds shall bear or accrete interest at rates not to exceed the maximum legal interest rate per annum, and shall mature and be paid at various dates no later than 40 years following their date of issuance, or, in the case of bonds, the interest on which is compounded, shall mature no later than 25 years following their date of issuance.

Section 8. Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver as soon as practicable, and in any event no later than August 12, 2016, which is a date no less than 88 days prior to the date of the Bond Election, one certified copy of this Resolution to the Registrar, together with the Tax Rate Statement attached hereto as Exhibit B, to be executed by the President of the Board, the Superintendent, the Assistant Superintendent of Business Services of the District, or any designee of the foregoing, and shall file a certified copy hereof with the Clerk of the Board of Supervisors of the County.

Section 9. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to prepare and file a formal Argument in Favor of the Bond Measure, with the Registrar within the time limits established for such arguments by the Registrar.

Section 10. Reimbursement of Qualified Project Expenditures. The reimbursement of the Reimbursable Expenses is consistent with the District's budgetary and financial circumstances. There are no funds or other sources of money of the District or any related person or controlled entity, that have been, or are reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside to pay the costs of the projects on the Project List to be paid or reimbursed out of the proceeds of the Bonds. The District reasonably expects to reimburse capital expenditures with respect to the projects on the Project List with proceeds of bonds that may hereafter be executed and delivered by or on behalf of the District, and this resolution shall constitute a declaration of official intent under the Treasury Regulations. This Resolution is adopted for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations. This Resolution does not bind the District to make any expenditure, incur any indebtedness or proceed with the financing, acquisition or construction of the projects on the Project List. The District recognizes that reimbursement allocations to which section 1.150-2 of the Treasury Regulations applies by reason of this Resolution generally include only reimbursements of payments originally for capital expenditures made not earlier than 60 days prior to the date of adoption of this Resolution. The maximum principal amount of Bonds and other obligations expected to be issued for the projects on the Project List is \$750,000,000.

Section 11. Bond Counsel. The Board hereby approves the retention of Norton Rose Fulbright US LLP as bond counsel in connection with the Election and subsequent issuances of bonds thereunder, pursuant to a contract to be entered into by the District.

Section 12. Ratification. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Board and the District in connection with the financing of the facilities on the Project List are hereby ratified and confirmed. The officers and their designees, the employees and agents of the Board and the District are hereby authorized to take any and all actions in connection with the financing of such facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 13. Authorization of Further Acts. The members of the Board, the Superintendent, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable to effectuate the purposes of this Resolution.

Section 14. Effective Date. This Resolution shall take effect immediately upon its adoption by 2/3 of the members of the Board.

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PASSED AND ADOPTED this 4th day of August, 2016, by the Board of Education of Chino Valley Unified School District, at Chino, California, by the following vote:

AYES: Members: Errene Hernandez-Blair, Andrew Cruz
Jan Na, Sylvia Orozco, Pamela Peix

NOES: Members: _____

ABSENT: Members: _____

ABSTAIN: Members: _____

By: 
Andrew Cruz, President
Board of Education

ATTEST:


By: 
Wayne M. Joseph, Superintendent
Secretary, Board of Education

EXHIBIT B
TAX RATE STATEMENT
REGARDING PROPOSED
\$750,000,000
CHINO VALLEY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
MEASURE __

An election will be held in Chino Valley Unified School District (the "District") on November 8, 2016 for the purpose of submitting to the electors of the District the question of incurring bonded indebtedness of the District in the principal amount of \$750,000,000. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of taxes levied on the taxable property in the District. The following information regarding tax rates is given in compliance with Section 9401 of the California Elections Code. This information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

Based upon the foregoing and projections of the assessed valuations of taxable property in the District, and assuming the entire debt service on the bonds will be paid through property taxation:

1. The best estimate from official sources of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the first sale of the bonds, based on assessed valuations available at the time of the filing of this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors is \$59.47 per \$100,000 of assessed valuation of all property to be taxed for the year 2017-18.

2. The best estimate from official sources of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds, and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, are \$59.55 per \$100,000 of assessed valuation of all property to be taxed and the year 2033-34.

3. The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bond issue and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, are \$59.57 per \$100,000 of assessed valuation of all property to be taxed and the year 2029-30.

4. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$1,677,522,000.

Attention of voters is directed to the fact that the foregoing information is based upon projections and estimates. The actual timing of sales of the bonds and the amount to be sold at any time will be governed by the needs of the District and other factors. The actual interest rates at which the bonds will be sold, which will not exceed the maximum permitted by law, will depend upon the bond market at the time of sale. The actual assessed valuations in future years will depend upon the value of property within the District as determined in the assessment and the equalization process. Therefore, the actual tax rates and the years in which those tax rates will be applicable may vary from those presently estimated and stated above.



Wayne M. Joseph, Superintendent
Chino Valley Unified School District