

# EXHIBIT B

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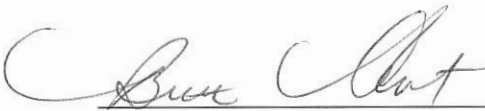
Monterey County Registrar of Voters

OCT 21 2019

## CERTIFICATION OF RESOLUTION CITY COUNCIL

I, Britt Avrit, City Clerk, City of Carmel-by-the-Sea, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 2019-070, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this 15<sup>th</sup> day of October, 2019.

  
\_\_\_\_\_  
Britt Avrit

**RECEIVED**

Monterey County Registrar of Voters

**OCT 21 2019**

**CITY OF CARMEL-BY-THE-SEA  
CITY COUNCIL**

**RESOLUTION NO. 2019-070**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ORDERING AN ELECTION ON MARCH 3, 2020 TO SUBMIT TO THE VOTERS AN ORDINANCE TO INCREASE THE TRANSACTIONS AND USE TAXES (SALES TAX) RATE TO ONE AND ONE HALF PERCENT (1.5%) FOR A PERIOD OF TWENTY (20) YEARS FOR GENERAL PURPOSES; FINDING AND DECLARING THAT AN EMERGENCY EXISTS THAT REQUIRES THE ELECTION TO BE HELD BEFORE THE NEXT REGULARLY SCHEDULED MUNICIPAL ELECTION; REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTEREY TO CONSOLIDATE THE ELECTION REGARDING THE ORDINANCE WITH THE MARCH 3, 2020 PRESIDENTIAL PRIMARY ELECTION AND TO PERMIT THE MONTEREY COUNTY ELECTION DEPARTMENT TO CONDUCT SAID ELECTION; DIRECTING THE CITY CLERK TO TAKE ALL NECESSARY ACTIONS AND COORDINATE WITH THE COUNTY OF MONTEREY TO ENSURE PLACEMENT OF THE ORDINANCE ON THE MARCH 3, 2020 BALLOT; AUTHORIZING ARGUMENT AND REBUTTAL ARGUMENT FOR AND AGAINST THE ORDINANCE; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS**

WHEREAS, the City of Carmel-by-the-Sea ("City") is a local government that prides itself on maintaining the unique community characteristics of the Village; protecting its natural resources and providing quality services to its residents, businesses and visitors; and

WHEREAS, the City's capacity to continue to provide services and address community needs is contingent on the City's economic resources and its ability to control costs; and

WHEREAS, the City's major revenues of property, sales and transient occupancy taxes are sensitive to international, national, state and local preferences, policies and trends; and

WHEREAS, international instability and foreign policies as well as national economic conditions influence tourism and impact the City's sales and transient occupancy taxes; and

WHEREAS, economic growth experienced by the nation since 2009 is soon likely to come to an end and the probability of a recession is high, which will also impact City revenue; and

WHEREAS, local governments are already constrained in their ability to generate revenue and recent voter initiatives seek to further curtail a government's authority to raise taxes; and

WHEREAS, while the provision of services requires a quality workforce to deliver services, the City's costs for employee healthcare, retirement and other post-employment benefits are on the rise, and

WHEREAS, while the City has proactively taken steps to address its pension liabilities, such as adopting lower retirement tiers for employees, utilizing employer cost sharing and issuing a pension-obligation bond to re-finance its pension debt, the City's pension cost, namely its portion of the pension system's unfunded actuarial liability, continues to grow exponentially, largely due to investment strategies and other decisions made by the California Public Employees' Retirement System (CalPERS), which are outside of the City's control; further, costs of employee healthcare also continue to rise on an annual basis; and



WHEREAS, the City has delayed the hiring of new staff, promoted the cross-sharing of staff among different departments to achieve cost savings and used alternative staffing methods to address rising healthcare and pension costs; and

WHEREAS, service levels were decreased as part of budgetary reductions within the Fiscal Year 2019-2020 Operating Budget and Council deferred funding various capital projects to offset the increased cost of pension, health insurance and workers' compensation and general liability insurance; and

WHEREAS, based upon projected increases in some largely uncontrollable operating costs as well as required debt service payments, the City, without additional revenue, will need to enact further spending reductions in order to balance the budget that could impact the gamut of services provided by the City in the areas of administration, code enforcement, community planning and building, community activities, emergency services, libraries, public safety and public works, and/or, despite an infrastructure deficit, defer the funding for maintenance and new capital projects for facilities; vehicles and equipment; streets, sidewalks and storm drains; Carmel beach and shoreline, parks, the nature preserve and trails and the Village forest; and

WHEREAS, the City Council has the authority under Elections Code Section 9222, Revenue and Taxation Code Section 7285.9, and Government Code Sections 53723 and 53724 to place a ballot measure before the voters to establish a local transactions and use tax (sales tax) for general municipal purposes; and

WHEREAS, the City currently imposes a 1% local transactions and use tax pursuant to Measure D adopted by the electorate of the City on November 6, 2012, which is a significant revenue source for the City as it generates an estimated \$3 million a year, or about 13% of the City's total revenues; and

WHEREAS, the authorization to collect the tax imposed pursuant to Measure D will expire on March 31, 2023, and thus the City seeks voter approval to increase the local transaction and use tax to 1.5% for twenty (20) years before the original Measure D authorization terminates and;

WHEREAS, pursuant to Revenue and Taxation Code Sections 7251.1, the combined rate of all transaction and use taxes imposed by the City and County is capped at 2%, there is remaining capacity within the local transactions and use tax cap, and the City is authorized to increase and extend the tax contingent on voter approval; and

WHEREAS, the City seeks to increase the local transactions and use tax rate by one-half percent (0.5%) to a new tax rate of one and one-half percent (1.5%) in order to generate additional revenue that may be used immediately to mitigate spending reductions that will need to be enacted as part of the upcoming budget, as well as to extend the duration of the increased tax rate in order to assist with long-term financial stability; and

WHEREAS, Article XIII C, Section 2(b) of the California Constitution requires that an election to approve a general tax measure be consolidated with a City Council election unless an emergency is declared by a unanimous vote of the City Council; and

WHEREAS, the City faces an emergency that necessitates the placement of a sales tax measure on the ballot prior to the next regularly scheduled City Council municipal election; and

WHEREAS, the City will lose a major source of General Fund revenue when Measure D expires on March 31, 2023, and thus needs to start enacting spending reduction plans imminently to prepare for the phasing out of this revenue if a new sales tax ordinance is not approved by the voters; and

WHEREAS, voter approval in March 3, 2020 to increase the sales tax amount and extend the duration of the sales tax would provide the City with financial certainty regarding the long-term viability of this revenue; and

WHEREAS, due to the timing associated with the disbursement of sales tax to the City by the State, consolidating the vote on the proposed transaction and use tax ordinance with the March 3, 2020 presidential primary would enable the City to receive additional revenue, if approved by the voters, approximately 9 months earlier than waiting for the consolidation of the vote on the proposed transaction and use tax ordinance with the City Council general election in November 2020; and

WHEREAS, as the City faces a structural deficit between revenues and expenses, the receipt of additional revenue sooner would help mitigate spending reductions that will be required to be made to programs, capital projects and services as part of the annual budget and allow the City to recognize this revenue as part of its long-term financial planning; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election. The city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY DETERMINE AS FOLLOWS:**

1. Pursuant to California Constitution Article XIII C, Section 2(b), Government Code Sections 53723 and 53724, Revenue and Taxation Code Section 7285.9, and Elections Code Section 9222, the City Council hereby calls for an election at which it shall submit to the qualified voters of the City a measure, that if approved by the majority of voters voting in the election, would adopt an increase to the existing transactions and use (sales) tax from 1% to 1.5% for a period of twenty (20) years. The election shall be held in the City on March 3, 2020.

2. The City Council hereby approves the Ordinance authorizing the levying of the transactions and use tax for general purposes as set forth in Exhibit A attached hereto and its submittal to the qualified voters of the City during the March 3, 2020 election in accordance with Government Code Sections 53723, 53724(b) and Revenue and Taxation Code Section 7285.9. The Ordinance specifies that (i) the rate of the sales tax shall be one and a half percent (1.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City, (ii) the rate of the sales tax shall be one and a half percent (1.5%) of the sales price of tangible personal property stored, used, or otherwise consumed in the City, (iii) that the tax shall be in effect for a period of twenty (20) years, after which time it shall be terminated, and (iv) that upon the Operative Date of the Ordinance, the transactions and use taxes authorized by Measure D, approved by the electorate of the City of Carmel-by-the-Sea on November 6, 2012, is repealed, terminated and of no further force or effect. The California Department of Tax and Fee Administration shall collect the tax from retailers that are subject to the tax and remit the funds to the City.

3. Pursuant to California Constitution Article XIII C, Section 2(b), the City Council hereby finds and determines that emergency conditions exist that require the placement of the Ordinance on the ballot on March 3, 2020. The City has taken action to reduce its operating costs as revenues decline; however, the precipitous rise in expenses such as employee healthcare premiums and pension liability will force the City to make further cuts to programs and services that may jeopardize the public health, safety and general welfare of residents and visitors as well as curtail funding for maintenance, construction and other improvements to City facilities, infrastructure and the natural environment as part of the upcoming Fiscal Year 2020-2021 budget and beyond without an infusion of new revenues.

The City Council hereby declares an emergency exists that requires immediate action to increase tax revenues in order for the City to meet its immediate and long-term obligations to its citizens. A delay in the collection of these enhanced revenues would negatively impact the City as the Council will be compelled to make reductions in operational and capital expenses to align with the City's existing revenues. Without sufficient revenues, additional spending reductions will need to be enacted so that the City is able to adopt a balanced budget as required by State law.



4. Pursuant to Elections Code Sections 10400 and 10403, the City Council hereby orders an election be called and consolidated with any and all elections also called to be held on March 3, 2020 within the same territory. Further, pursuant to Elections Code Section 10002, the City Council hereby requests the Board of Supervisors of the County of Monterey to consolidate the election regarding the Ordinance with the March 3, 2020 presidential primary election and to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election regarding the Ordinance. The County of Monterey and its staff are authorized and instructed to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment and other necessary items in order to properly and lawfully conduct the election; the County of Monterey is authorized to canvass the returns of the election, which shall be held in all respects as if there were only one election, and only one form of ballot shall be used; and the City Council recognizes that additional costs will be incurred by the County of Monterey by reason of the consolidation of the election regarding the Ordinance with the Statewide election and agrees to reimburse the County of Monterey for any costs that are not reimbursed by the State, and the City Council hereby authorizes the City Manager to pay the County of Monterey for said services in full.

5. The City Council hereby orders the City Clerk and the Monterey County Elections Department to submit the following question to the electorate at the March 3, 2020 election:

"Shall the Ordinance to increase the City of Carmel-by-the-Sea's current 1% sales tax to 1.5% to generate an estimated \$4.5 million per year for 20 years to enhance the City's green infrastructure of parks, trails, beaches and trees; invest in community facilities and spaces; maintain public safety and emergency preparation; fund capital needs; address pension liabilities and provide general City services, with all funds staying local, and with an annual independent audit, be adopted?"

Yes ( )

No ( )

6. The City Council hereby orders that the Monterey County Elections Department print the full text of the Ordinance attached hereto as Exhibit A exactly as filed or indicated on the filed document in the voter information guide for the March 3, 2020 election.

7. The City Council hereby finds and determines that the transactions and use (sales) taxes imposed pursuant to the Ordinance is for general municipal purposes and accordingly the taxes shall be approved upon a majority vote of the qualified voters of the City of Carmel-by-the-Sea voting in the election on the Ordinance.

8. The City Council hereby directs the City Clerk to (i) publish a notice of elections and a synopsis of the measure as required by Elections Code Sections 12101 and 12111; (ii) file certified copies of this resolution, including the Ordinance, with the County of Monterey and take other necessary actions to ensure the placement of the Ordinance on the March 3, 2020 ballot; and (iii) coordinate with the County of Monterey and take all necessary actions to oversee and certify the March 3, 2020 election process as required by Elections Code.

9. In accordance with Elections Code §9282, the City Council does resolve, declare, determine, and order that the City Council of the City of Carmel-by-the-Sea is authorized to file a written argument in favor of the Ordinance as specified above, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and to change the argument until and including the date fixed by the City Clerk set forth below after which no arguments for or against the Ordinance may be submitted to the City Clerk.

10. In accordance with California Elections Code §9282, arguments in favor and against, not exceeding 300 words, shall be filed with the City Clerk no later than **5:00 p.m. on Friday, November 8, 2019**, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the *Form of Statement to Be Filed By Author(s) of Argument*, which can be obtained from the Office of the City Clerk.

11. In accordance with California Elections Code §9280, the City Council directs the City Clerk to transmit a copy of the Ordinance to the City Attorney, who shall prepare an impartial analysis showing the effect of the Ordinance on the existing law and the operation of the Ordinance; the City Attorney's impartial analysis may not exceed 500 words and shall be filed with the City Clerk no later than **5:00 p.m. on Monday, November 25, 2019**.

12. The City Council has elected to author a ballot argument in support of the Ordinance, and California Elections Code §9285 authorizes the City Council to adopt provisions for the filing of rebuttal arguments at municipal elections; accordingly, when the City Clerk has selected the argument for and against the Ordinance which will be printed and distributed to the voters, the City Clerk shall send a copy of the argument in favor of the Ordinance to the authors of the argument against, and a copy of the argument against to the authors of the argument in favor of the Ordinance immediately upon receiving the arguments. The authors may prepare and submit rebuttal arguments not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. The rebuttal arguments shall be filed no later than **5:00 p.m. on Friday, November 22, 2019**, accompanied by the printed names and signatures of the persons submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers. The rebuttal arguments shall be accompanied by the *Form of Statement To Be Filed By Author(s) of Argument*, which can be obtained from the Office of the City Clerk. Rebuttal arguments shall be printed in the same manner as the direct arguments, and rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

13. All previous resolutions providing for the filing of rebuttal arguments for city measures are hereby repealed and the provisions of this resolution providing for the filing of rebuttal arguments regarding the Ordinance shall only apply to the election to be held on March 3, 2020, and shall thereafter be repealed.

14. The City Council has elected to author a ballot argument in support of the Ordinance and to permit rebuttal argument, and as authorized by California Elections Code §9285, the City Council wishes to authorize the release of the City Council's rebuttal argument to individual voters and thus hereby authorizes each individual member of the City Council to release rebuttal argument in writing to any other person or persons to prepare, submit, or sign the rebuttal argument.

15. For purposes of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), a "project" is defined in State CEQA Guidelines Section 15378 (a) as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment". The City Council hereby finds that the proposed Ordinance will not result in any change in the environment and thus is not a project subject to the requirements of CEQA. Additionally, the proposed Ordinance involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus the City Council finds the proposed Ordinance is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4). Further, even if the adoption of this Ordinance was deemed to be a project subject to CEQA, the City Council finds the proposed Ordinance is exempt from CEQA under the common sense exemption set forth in Section 15061(b)(3), which provides that CEQA only applies to projects which have the potential for causing a significant effect on the environment, and thus where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-  
THE-SEA this 8th day of October, 2019, by the following vote:**

AYES: COUNCIL MEMBERS BARON, REIMERS, THEIS, MAYOR PRO TEM  
RICHARDS, MAYOR POTTER

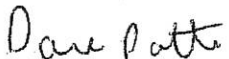
NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

APPROVED:

ATTEST:

  
\_\_\_\_\_  
Dave Potter  
Mayor

  
\_\_\_\_\_  
Britt Avrit, MMC  
City Clerk



**EXHIBIT A**

**CITY OF CARMEL-BY-THE-SEA**

**ORDINANCE NO. 2019-004**

**AN ORDINANCE AMENDING ARTICLE 1V, TRANSACTIONS AND USE TAX, OF CHAPTER 3.28, SALES AND USE TAX, OF THE CARMEL-BY-THE-SEA MUNICIPAL CODE**

WHEREAS, stagnant growth in City revenues and escalating operating costs constrain the City's ability to maintain the quality of services provided and address its capital needs; and

WHEREAS, without additional revenues, the City will be compelled to make spending reductions to programs and services that may jeopardize the public health, safety and general welfare of residents and visitors as well as curtail funding for maintenance, construction and other improvements to City facilities, infrastructure and the natural environment; and

WHEREAS, all funds from a local revenue measure must stay in Carmel-by-the-Sea and cannot be taken by the State; and

WHEREAS, the City Council has determined that an emergency exists requiring placement of a measure for a transactions and use (sales) tax before the voters at the March 3, 2020 presidential primary election. The tax would be a one and one-half percent (1.5%) tax on the sale of tangible personal property and the storage, use, or other consumption of such property for a period of twenty (20) years. The tax revenue would be collected by the California Department of Tax and Fee Administration and remitted to the City; and

WHEREAS, the transactions and use tax to be submitted to the voters is a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular actions or purposes, and the specific purposes recited in the ballot measure are non-restricted and non-exclusive example only. The tax is a general tax and shall be approved if the measure receives at least a simple majority of affirmative votes.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES ORDAIN AS FOLLOWS:**

**SECTION 1. Findings.**

1. The City Council of the City of Carmel-by-the-Sea does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.

**SECTION 2. Amendment to Code**

1. Article IV, Transactions and Use Tax, of Chapter 3.28 of the Carmel-by-the-Sea Municipal Code is hereby amended to read as follows:

"Article IV. Transactions and Use Tax

3.28.170. Imposition. A Transactions and Use Tax is hereby imposed as a general tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City for a period of twenty (20) years, and upon the sales price of tangible personal property stored, used or otherwise consumed in the City as further set forth below.

3.28.180. Operative Date. The transactions and use tax imposed herein shall be operative the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance. Based upon a March 3, 2020 election, the Operative Date for the transactions and use tax imposed hereunder shall be July 1, 2020.

3.28.190. Purpose. This Ordinance is adopted to achieve the following purposes, among others, and directs that the provisions hereof be interpreted in order to accomplish these purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, and which authorizes the City to adopt this tax Ordinance, which shall be operative if a majority of the electors voting on the measure approve the imposition of the tax at an election called for that purpose. The tax is a general tax whose proceeds shall be deposited in the City's general fund and expended for any lawful purpose of the City.
- B. To adopt a retail transactions and use tax that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

3.28.200. Contract with State. Prior to the Operative Date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.28.210. Transactions Tax Rate. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated area of the City at the rate of one and one-half percent (1.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City on and after the operative date of this Ordinance for a period of twenty (20) years following the effective date of the tax and shall then be terminated.

3.28.220. Place of Sale. For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges when such charges are subject to the state sales and use tax regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.28.230. Use Tax Rate. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this Ordinance for storage, use or other consumption in the City at the rate of one and one-half percent (1.5%) of the sales price of the property for a period of twenty (20) years following the effective date of the tax, and shall then be terminated. The sales price shall include delivery charges when such charges are subject to sales or use tax regardless of the place to which delivery is made.

3.28.240. Adoption of Provisions of State Law. Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxations Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxations Code are hereby adopted by reference and made a part of this Ordinance as if fully set forth herein.

3.28.250. Limitations on Adoption of State Law and Collection of Use Taxes. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxations Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of City shall be substituted therefore. However, the substitution shall not be made when:
1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
  2. The result of that substitution would require action to be taken by or against City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
  3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:



- a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to the tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or
  - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.
- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.
  1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this State or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.28.260. Permit Not Required. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Section.

3.28.270. Exemptions and Exclusions.

- A. There shall be excluded from the Measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
  1. Sales of tangible personal property, other than fuel or petroleum productions, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
    - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
  3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.
  4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance the storage, use or other consumption in this City of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax Ordinance.
  2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxations Code.
  3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

4. If the possession of, or the exercise of any right or power over the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  6. Except as provided in Subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
  7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.28.280. Amendments. All amendments subsequent to the effective date of this Article to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code shall automatically become a part of this Article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Article.

3.28.290. Enjoining Collection Forbidden. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code of any tax or any amount of tax required to be collected.



3.28.300. Annual Audit and Public Report. Annually the City Council retains an independent auditor to conduct an audit of and provide audited financial statements for all of the City's financial activities. The auditor shall include an accounting of the revenue received from the tax and expenditures thereof in the audited financial statements. The auditors' report shall be presented to the Council and made available to the public. Additionally, the City Administrator shall annually prepare and present to the Council and the public a report in conjunction with the audit that reviews the status and performance of the programs and services funded wholly or partially with proceeds of the tax.

3.28.310. Termination Date. The authority to levy the taxes imposed by this Ordinance shall expire twenty (20) years from the Operative Date, unless extended by the voters."

**SECTION 3. REPEAL OF MEASURE D.** Upon the Operative Date of this Ordinance as provided in Section 3.28.180 of the Carmel-by-the-Sea Municipal Code, the 1% transactions and use taxes authorized by Measure D, approved by the electorate of the City of Carmel-by-the-Sea on November 6, 2012, is hereby repealed, terminated and of no further force or effect.

**SECTION 4. CEQA Findings.** For purposes of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.), a "project" is defined in State CEQA Guidelines Section 15378 (a) as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment". The City Council hereby finds that the proposed Ordinance will not result in any change in the environment and thus is not a project subject to the requirements of CEQA. Additionally, the proposed Ordinance involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus the City Council finds the proposed Ordinance is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4). Further, even if the adoption of this Ordinance was deemed to be a project subject to CEQA, the City Council finds the proposed Ordinance is exempt from CEQA under the common sense exemption set forth in Section 15061(b)(3), which provides that CEQA only applies to projects which have the potential for causing a significant effect on the environment, and thus where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**SECTION 5. Effective Date.** This Ordinance relates to the levying and collecting of transactions and use taxes and shall be in full force and effect ten (10) days after the certification by the City Council of the election returns indicating passage of the Ordinance by a majority of voters casting votes in the election; however, the collection of the transactions and use taxes shall be in accordance with Section 3.28.180 of the Carmel-by-the-Sea Municipal Code as the Operative Date.

**SECTION 6. Severability.** If any sections, subsections, sentences, clauses, phrases or portions of this chapter are for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The People hereby declare that they would have passed this and each section, subsection, phrase or clause of this Ordinance whether or not any one or more sections, subsections, phrases or clauses may be declared invalid or unconstitutional on their face or as applied.

**SECTION 7. Publication.** The City Clerk is directed to publish this Ordinance as required by State law.

**PASSED AND ADOPTED BY THE ELECTORATE OF THE CITY OF CARMEL-BY-THE-SEA  
this 3rd day of March 2020, by the following vote:**

AYES:

NOES:

APPROVED:

ATTEST:

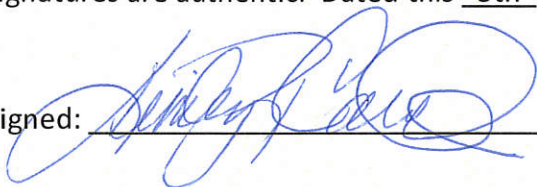
\_\_\_\_\_  
Dave Potter  
Mayor

\_\_\_\_\_  
Britt Avrit, MMC  
City Clerk

## Certification

I certify that the attached document Resolution 2019-25 is true to form and that the signatures are authentic. Dated this 5th day of December, 2019.

Signed: \_\_\_\_\_



Printed name: Kimberly R. Carvalho

Title: Assistant to the City Manager/Deputy City Clerk

**RECEIVED**

Monterey County Registrar of Voters

DEC 09 2019

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RESOLUTION 2019-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS TO PLACE A MEASURE TO EXTEND INDEFINITELY THE EXISTING ONE PERCENT TRANSACTIONS AND USE TAX ON THE BALLOT TO BE SUBMITTED TO THE VOTERS AT THE MARCH 3, 2020 ELECTION AND REQUESTING THAT THE MONTEREY COUNTY BOARD OF SUPERVISORS CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION TO BE HELD ON MARCH 3, 2020; AND DIRECTING THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON THE CITY'S BEHALF

WHEREAS, in November 2006 the voters of Del Rey Oaks adopted a local revenue measure in the form of a one percent (1%) Transaction and Use Tax to ensure essential City services remained funded; and

WHEREAS, the Transaction and Use Tax was enacted pursuant to Del Rey Oaks City Council Ordinance No. 286; and

WHEREAS, although the Transaction and Use Tax has been instrumental in providing essential City services and quality of life enhancements to the City's residents, it is set to expire on March 31, 2022; and

WHEREAS, in order to continue to provide essential City services and quality of life enhancements, the City seeks to extend the Transaction and Use Tax expiration date indefinitely; and

WHEREAS, the City wishes to take this action well in advance of the Transaction and Use Tax expiration date in order to proactively conduct long term City planning; and

WHEREAS, the City has taken necessary steps to reduce its operational costs and to protect vital services; and

WHEREAS, maintenance of the City's facilities and infrastructure has been deferred or severely curtailed; and

WHEREAS, the recent source of income from cannabis tax cannot be relied on to remain steady and should the regulatory landscape of the cannabis industry change, this resource could decrease significantly without notice. Absent a guaranteed source of general fund revenue, the City will not be able to maintain or to restore and improve essential services. Consequently, the City will have to defer maintenance of important public facilities and infrastructure and will not have basic quality-of-life services commonly associated with municipal government; and

WHEREAS, the City has very few means available for increasing general fund revenue and absent this source of general fund revenue the City's ability to maintain or to improve essential service levels is uncertain; and



WHEREAS, the tax to be submitted to the voters, if approved, would continue to be imposed on retail transactions involving the sale and use of personal property at the existing tax rate of one percent (1%). All proceeds from such tax will be utilized for general governmental purposes. The tax revenue would be collected by the California Department of Tax and Fee Administration and remitted to the City. The tax would continue indefinitely, unless repealed or amended by the voters. The tax shall be approved if the measure receives at least a majority of affirmative votes; and

WHEREAS, based on all the information presented to it, both written and oral, the City Council finds that under CEQA Guidelines sections 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this action does not constitute a project under CEQA and therefore review under CEQA is not required.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEL REY OAKS,** as follows:

**SECTION 1.** The foregoing Recitals are true and correct and are hereby adopted by the City Council.

**SECTION 2.** Pursuant to California Constitution Article XIII C, Section 2; California Government Code section 53724; California Elections Code section 9222; the City Council of the City of Del Rey Oaks hereby calls an election at which it shall submit to the qualified voters of the City, a measure that, if approved, would extend the one percent (1%) general transactions and use tax, as authorized by California Revenue and Taxation Code section 7285.9. Pursuant to Elections Code section 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on March 3, 2020. This measure shall be designated by letter by the Monterey County Elections Department.

**SECTION 3.** Included in Exhibit A is an ordinance extending the one percent transactions and use tax, to be approved by the voters pursuant to Section 2. The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the March 3, 2020 election, as required by Revenue and Taxation Code section 7285.9, subject to the approval of a majority of the voters voting on the measure at this election called by the adoption of this resolution. The entire text of the ordinance attached hereto as Exhibit A shall be printed in the voter information portion of the sample ballot. If the proposed measure is approved, the total transactions and use tax rate shall be one percent (1%), until repealed or amended by the voters. The California Department of Tax and Fee Administration shall collect the taxes from retailers subject to the taxes and remit the funds to the City.

**SECTION 4.** The proposed transactions and use tax ordinance shall be submitted to the voters on the ballot in the form of the following question:

"Essential Services Measure (General Transactions and Use Tax)

To preserve essential city services and facilities in Del Rey Oaks, including crime prevention, emergency response, repair of streets and sidewalks, and other city services, shall a measure be adopted to extend indefinitely the existing one percent (1%) transactions and use tax that provides approximately \$600,000 annually in revenue to be used only in Del Rey Oaks, the proceeds of said tax to be utilized for general governmental purposes?"

**SECTION 5.** As the ballot measure directed and described herein deals with a general tax, the measure shall pass if a majority of those casting a vote on the measure vote "yes."

**SECTION 6.** The official ballot to be used at said election shall conform to the provisions of the laws of the State of California with relation thereto.

**SECTION 7.** The City Attorney shall prepare an impartial analysis of the ballot measure not to exceed five hundred words in length showing the effect of the measure on the existing law and the operation of the measure.

**SECTION 8.** The City authorizes the Registrar of Voters to consolidate this election with the established election on March 3, 2020, for the ease and the convenience of the registered voters and to take advantage of any cost savings possible by such consolidation.

**SECTION 9.** The City Clerk may request the assistance of the County of Monterey Elections Department in regard to said election, as the City Clerk deems necessary, and the City shall pay the incurred cost of such assistance.

**SECTION 10.** Written arguments, no longer than three hundred words, in favor of or in opposition to said measure may be submitted to the City Clerk no later than December 12, 2019. Pursuant to Section 9285 of the California Elections Code, the Mayor is hereby authorized to prepare and file a written argument in favor of the proposed ordinance, not to exceed three hundred words, on behalf of the City Council.

**SECTION 11.** The City Clerk is hereby authorized and directed, in a manner consistent with the California Elections Code, to cause notice of the measure to be published in a newspaper of general circulation. The City Clerk may request that the County of Monterey Elections Department prepare and publish the required notice.

**SECTION 12.** The election on the measure set forth in this Resolution shall be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined as provided for herein. In all particulars not described in this Resolution, the election shall be held as prescribed in the Elections Code of the State of California. The Registrar of Voters of the County of Monterey is authorized to canvas the returns of that election with respect to the vote cast in the City of Del Rey Oaks and certify the results to the City Council. At the next regular meeting of the City Council occurring after the returns of the election have been

canvassed and the certification of the results to the City Council, the City Council shall cause to be entered in its minutes a statement of the results of the election.

**SECTION 13.** The City Manager is hereby authorized and directed to expend the necessary funds to pay for the City's costs of placing the measure on the election ballot.

PASSED AND ADOPTED this 6th day of November, 2019, by the following vote:

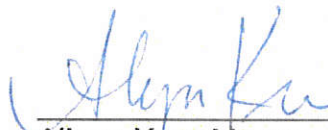
AYES: Lintell, Goetzelt, Gaglioti, Clark and Kerr

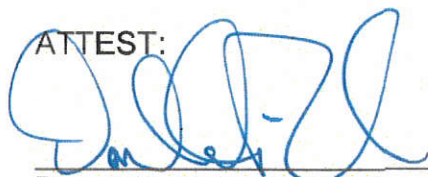
NOES: None

ABSENT: None

ABSTAIN: None

SIGNED:

  
\_\_\_\_\_  
Alison Kerr, Mayor

ATTEST:  
  
\_\_\_\_\_  
Danial D. Pick, City Clerk

ORDINANCE 300

AN ORDINANCE OF THE VOTERS OF THE CITY OF DEL REY OAKS EXTENDING  
THE EXISTING GENERAL TRANSACTIONS AND USE TAX (A SALES TAX)  
INDEFINITELY TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF  
TAX AND FEE ADMINISTRATION

**BE IT ORDAINED BY THE VOTERS OF THE CITY OF DEL REY OAKS:**

**SECTION 1. FINDINGS.**

- A. The City relies on sales tax for the day to day operations of the City, its facilities and services including national economic trends and unpredictable decreases in revenue from existing taxes and fees. The City has taken necessary steps to reduce its operational costs and to protect vital services.
- B. Maintenance of the City's facilities and infrastructure has been deferred or severely curtailed.
- C. The City's public facilities, including City Hall and the City's parks and recreational facilities are aged and maintenance of these facilities and improvements to these facilities has been deferred due to lack of resources.
- D. The loss of revenue from this existing tax would broadly impact services throughout the City and undermine the public health, safety, and welfare of Del Rey Oaks' residents. The recent source of income from cannabis tax cannot be relied on to remain steady and should the regulatory landscape of the cannabis industry change, this resource could decrease significantly without notice. Absent a guaranteed source of general fund revenue, the City will not be able to maintain or to restore and improve essential services. Consequently, the City will have to defer maintenance of important public facilities and infrastructure and will not have basic quality-of-life services commonly associated with municipal government; and
- E. The City has very few means available for increasing general fund revenue and absent this source of general fund revenue the City's ability to maintain or to improve essential service levels is uncertain.
- F. The tax to be submitted to the voters, if approved, would continue to be imposed on retail transactions involving the sale and use of personal property at the existing tax rate of one percent (1%) of the value of the property. All proceeds from such tax shall be utilized for general governmental purposes. The tax revenue would be collected by the California Department of Tax and Fee Administration and remitted to the City.
- G. The tax would continue indefinitely, unless repealed or amended by the voters.



The tax shall be approved if the measure receives at least a majority of affirmative votes.

- H. Based on all the information presented to it, both written and oral, the City Council finds that under CEQA Guidelines sections 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this action does not constitute a project under CEQA and therefore review under CEQA is not required.

**SECTION 2. OPERATIVE DATE.** "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

**SECTION 3. PURPOSE.** This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish these purposes:

- A. To extend indefinitely a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of this additional tax at an election called for this purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposed a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

**SECTION 4. LANGUAGE OF BALLOT MEASURE.** The proposed transaction and use tax ordinance shall be submitted to the voters on the ballot in the form of the following

question:

**"Essential Services Measure (General Transactions and Use Tax)**

To preserve essential city services and facilities in Del Rey Oaks, including crime prevention, emergency response, repair of streets and sidewalks, and other city services, shall a measure be adopted to extend indefinitely the existing one percent (1%) transactions and use tax that provides approximately \$600,000 annually in revenue to be used only in Del Rey Oaks, the proceeds of said tax to be utilized for general governmental purposes?"

**SECTION 5. CONTRACT WITH STATE.** Prior to the Operative Date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of the transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

**SECTION 6. TRANSACTIONS TAX RATE.** For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this ordinance.

**SECTION 7. PLACE OF SALE.** For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to and out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

**SECTION 8. USE TAX RATE.** An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchases from any retailer on and after the Operative Date of this ordinance for storage, use or other consumption in said territory at the rate of one percent (1%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

**SECTION 9. ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1(commencing with Section 6001) of Division 2 of the Revenue and

Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

**SECTION 10. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAX.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Whenever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
  1. The word "State" is used as a part of this title of the State Controller, State Treasurer, California Department of Tax and Fee Administration, California Department of Tax and Fee Administration, State Treasury, or the Constitution of the State of California.
  2. When the result of that substitution would require action to be taken by or against this City or any agency, officer or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
  3. In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
    - a. Provide an exemption from this tax with respect to certain sales, storage use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
    - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
      - 1) "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the

regulations thereunder.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 3828 of the Revenue and Taxation Code.
- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**SECTION 11. PERMIT NOT REQUIRED.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

**SECTION 12. EXEMPTIONS AND EXCLUSIONS.**

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax law or the amount of any state-administered transactions or use tax.
- B. They are exempted from the computation of the amount of the transactions tax the gross receipts from:
  1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
  2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
    - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1(commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    - b. With respect to commercial vehicles, by registration to a place of business out- of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.



3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.
  4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
  2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
  3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.
  4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, of possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  6. Except as provided in subparagraph (7), a retailer engaged in business in the

City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1(commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

**SECTION 13. AMENDMENTS TO STATE LAW.** All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

**SECTION 14. ENJOINING COLLECTION FORBIDDEN.** No injunction or writ of mandate or other legal equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or to enjoin the collection under this ordinance, or Part of Division 2 of the Revenue and Taxation Code, or any tax or any amount of tax required to be collected.

**SECTION 15. REFUNDS AND CREDITS: SUITS AND LEGAL PROCEEDINGS.**

- A. Refunds of and credits for any tax paid pursuant to this ordinance may be made only as provided for in Part 1(commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.
- B. Suits and proceedings for the recovery of any amount alleged to have been erroneously or illegally determined or collected pursuant to this ordinance may be maintained in any court only as provided for in Part 1(commencing with Section

6001) of Division 2 of the Revenue and Taxation Code. A judgment shall not be rendered in favor of the plaintiff in any action brought against the California Department of Tax and Fee Administration to recover any amount paid when the action is brought by or in the name of an assignee or the person paying the amount or by any person other than the person who paid the amount.

**SECTION 16. USE OF TAX REVENUE.** The tax approved by this ordinance is a general tax. The City may use the revenue from the tax for any general governmental purpose.

**SECTION 17. SEVERABILITY.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**SECTION 18. EFFECTIVE DATE.** If this ordinance is approved by a majority of the voters voting on the issue at the March 3, 2020 election, as it relates to the levying and collecting of the City transactions and use taxes, this ordinance shall take effect immediately.

**SECTION 19. CODIFICATION.** Upon adoption of the ordinance pursuant to the voter approval referenced in this ordinance, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Del Rey Oaks Municipal Code.

**PASSED AND ADOPTED** by the City Council of the City of Del Rey Oaks, on November 06, 2019, by the following vote:

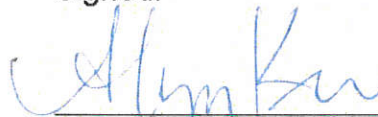
AYES: Lintell, Goetzelt, Gaglioti, Clark, Kerr

NOES: None

ABSENT: None


ABSTAIN: None

Signed:



Alison Kerr, Mayor

Attest:



Danial D. Pick, City Clerk



DEC 06 2019

RESOLUTION NO. 19-190 C.S.

**A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY**

**CALLING A SPECIAL ELECTION TO ASK THE VOTERS OF THE CITY OF MONTEREY TO APPROVE A GENERAL TRANSACTIONS AND USE (SALES) TAX OF ONE-HALF CENT PER DOLLAR, TO BE ADMINISTERED BY CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, AND REQUESTING THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTEREY CONSOLIDATE THE ELECTION WITH THE ESTABLISHED ELECTION TO BE HELD ON TUESDAY, MARCH 3, 2020, AND DIRECT THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON THE CITY'S BEHALF**

WHEREAS, on November 19, 2019, the City Council unanimously declared a fiscal emergency in order to place a general purpose transactions and use (sales) tax measure on the March 3, 2020 election ballot;

WHEREAS, the fiscal emergency declaration is based in part on the following unprecedented funding gaps that threaten City services: an estimated (\$2.8) million deficit in Fiscal Year 2020/2021; an estimated (\$3.8) million deficit in Fiscal Year 2021/2022; and at least a (\$5.2) million deficit in Fiscal Year 2022/2023;

WHEREAS, the reductions in services that may be required in order to address the magnitude of the deficit facing the City could jeopardize the public's health and safety by requiring the reduction of critical City services;

WHEREAS, 62% of the sales tax in Monterey is paid by visitors and non-residents;

WHEREAS, on the basis of the foregoing, the City Council determines that it is necessary to place a measure to increase the transactions and use (sales) tax by one-half cent per dollar, before the voters at the March 3, 2020 election, to address the budget crisis. A successful measure would increase the overall sales tax rate from 8.75% to 9.25%;

WHEREAS, if approved, the existing sales tax of would continue to be imposed on retail transactions involving the use of personal property and would increase the amount by one-half cent per dollar. The tax revenue would continue to be collected by the State Department of Tax and Fee Administration and remitted to the City. The tax would remain in effect for 9 years, at which time it will sunset.

WHEREAS, pursuant to Elections Code section 10002, the City Council may, by resolution, request the Board of Supervisors of the county to permit the county elections official to render specified services to the City relating to the conduct of an election;

WHEREAS, the resolution of the City Council shall specify the services requested;

WHEREAS, pursuant to Elections Code section 10002, the City shall reimburse the County in full for the services performed upon presentation of a bill to the City;

WHEREAS, pursuant to Elections Code section 10400, whenever two or more elections of any legislative or congressional district, public district, city, county, or other political



subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies calling the elections;

WHEREAS, pursuant to Elections Code section 10403, whenever an election called by a city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election and is to appear upon the same ballot as that provided for that statewide election, the city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation;

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election;

WHEREAS, the presidential primary election has been called to be held on March 3, 2020, and various district, county, state and other political subdivision elections may be or have been called to be held on March 3, 2020; and

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA)(CCR, Title 14, Chapter 3 ("CEQA Guidelines"), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines Section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent projects that may be funded using sales tax revenue received from the referenced general transactions and use tax resulting from this action will be assessed for CEQA applicability. Lastly, CEQA Guidelines Section 15378 (b) (4) specifically states that the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project as 'not a project.'

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby declares, determines, and orders as follows:

## **SECTION 1. RECITALS**

The foregoing recitals are true and correct and are hereby adopted by the City Council.

## **SECTION 2. CALL OF GENERAL MUNICIPAL ELECTION.**

Pursuant to Articles 1 and 2 of the Monterey City Charter and the laws of the State of California, the City Council of the City of Monterey hereby calls and notices an election at which it shall submit to the voters of the City at the election a measure that if adopted would increase the City's general purpose transactions and use tax by one-half cent per dollar.

**a. Request to Consolidate, Conduct Elections and Canvass Returns**

The Monterey County Board of Supervisors is hereby requested to authorize the County Registrar of Voters to render services necessary to conduct the Special Municipal Election. Pursuant to California Elections Code section 10403, the City Council hereby requests that the Monterey County Board of Supervisors consolidate the Special Municipal Election with the Statewide Presidential Primary Election to be held on March 3, 2020 and order the Special Municipal Election to be conducted by the County Registrar of Voters. The City Council acknowledges and requests that the consolidated election be held and conducted in the manner prescribed in California Elections Code section 10418. The ballots to be used in the election shall be in a form and with content as required by law.

The City Clerk is authorized, instructed, and directed to work with the County Registrar of Voters as needed to properly and lawfully conduct the election. In all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

The City Clerk shall forward a certified copy of this resolution to the Clerk of the Monterey County Board of Supervisors not later than 88 days before the March 3, 2020 election.

The notice of the time and place of holding the election is hereby given, and the City Clerk and the County Registrar of Voters are authorized to give further notice of the election as required by law.

**b. Costs**

Pursuant to California Elections Code section 10002, the City hereby requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to reimburse Monterey County for the actual cost incurred in conducting the election upon receipt of a bill stating the amount due.

**SECTION 3. TAX ORDINANCE**

**a. Ballot Language**

The City Council hereby orders the following question be submitted to the voters at the General Municipal Election:

**Measure \_\_\_\_.**

PRESERVE CITY SERVICES MEASURE. Shall the measure to protect the City of Monterey's financial stability and maintain services such as police; fire; 9-1-1 emergency response; traffic management; library; senior/youth recreation programs; beach, park, forestry, and trail maintenance; housing programs, and other unrestricted general fund expenditures, by enacting a ½-cent per dollar sales tax for nine years, with all funds locally controlled, and all expenditures subject to independent audit, providing approximately \$5,000,000 annually, be adopted?	YES
	NO

**b. Proposed Ordinance**

The full text of the ordinance amendment to be approved by the voters entitled "An Ordinance of the Council of the City of Monterey Imposing a Transactions and Use Tax Increase to be Administered by the California Department of Tax and Fee Administration, Subject to Adoption by the Electorate" is attached to this Resolution as Exhibit "A" and incorporated herein by reference. The full text of the Ordinance shall be printed in the Voter Information Pamphlet.

**c. Passage of the Measure**

The passage of the general tax measure requires approval of a majority of qualified electors of the City voting in the election on the issue.

**d. Publication of Measure**

The City Clerk is hereby authorized to cause notice of the Measure to be published once in the *Monterey Herald* in accordance with Elections Code section 12111 and Government Code section 6061. The City Clerk is authorized to request that the Monterey County Elections Department prepare and publish the required notice.

**e. Impartial Analysis**

Pursuant to Elections Code section 9280, the City Council hereby directs the City Clerk to transmit to the City Attorney a copy of the Ordinance attached to this Resolution as Exhibit "A". The City Attorney shall prepare an impartial analysis of the Ordinance showing the effect of the Ordinance on existing law and the operation of the ordinance. The analysis shall not exceed 500 words and shall contain a statement that the Ordinance was placed on the ballot by the City Council. The impartial analysis shall be filed with the City Clerk by December 3, 2019 for conveyance to the County Registrar of Voters.

**f. Arguments for the Measure and Deadlines Therefore**

1. The last day for submission of primary arguments for the Measure shall be by 5:00 p.m. on December 3, 2019.
2. Pursuant to California Elections Code section 9282, subdivision (b), the City Council hereby authorizes the Mayor to prepare and file the primary written argument on behalf of the City Council in support of the Ordinance. At the discretion of the Mayor, the argument may also be signed by other members of the City Council, bona fide associations of citizens, or by individual voters who are eligible to vote on the ordinance.
3. In accordance with Section 9283 of the Elections Code, the printed names and signatures of not more than five authors shall appear with any argument submitted in accordance with this Resolution.
4. In accordance with Section 9282(c) of the Elections Code, any argument written in favor of or against the proposed ordinance described above shall not exceed 300 words.
5. Pursuant to California Elections Code section 9285, subdivision (b), the City Council hereby adopts the provisions of California Elections Code section 9285, subdivision (a), relating to rebuttal arguments for the Ordinance only for the March 3, 2020 election, and thereafter this Section 3(f)(5) shall expire.
6. The last day for submission of rebuttal arguments shall be 5:00 p.m. on December 13, 2019. In accordance with Section 9285(a)(3) of the Elections Code, any rebuttal argument shall not exceed 250 words. Pursuant to Elections Code section 9285(a)(2), the author or a majority of authors of an argument may prepare and submit a rebuttal argument or may authorize in writing another person or person to prepare, submit, or sign the rebuttal argument.

7. The City Council hereby authorizes and directs the City Clerk to give preference and priority to any written argument for or against the City ordinance set forth above that includes a member or members of the City Council, and then to other arguments as set forth in Elections Code section 9287.

#### SECTION 4. IMPLEMENTATION

The City Clerk is directed to file with the Monterey County Board of Supervisors a certified copy of this Resolution, with a copy to the County Registrar of Voters, pursuant to California Elections Code section 10403. The City Clerk is further authorized and directed to perform all other acts necessary or required by law to implement this Resolution and related to the election.

#### SECTION 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this resolution or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this resolution or its application to other persons and circumstances. The City Council of the City of Monterey hereby declares that it would have adopted this resolution and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 19th day of November, 2019, by the following vote:

AYES:	5	COUNCILMEMBERS:	Albert, Haffa, Smith, Williamson, Roberson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:

ATTEST:



Mayor

  
City Clerk



ORDINANCE NO. \_\_\_\_ C.S.

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF MONTEREY**

**IMPOSING A TRANSACTIONS AND USE TAX INCREASE TO BE  
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE  
ADMINISTRATION, SUBJECT TO ADOPTION BY THE ELECTORATE**

THE PEOPLE OF THE CITY OF MONTEREY DOES ORDAIN, as follows:

SECTION 1: Article 8 of Chapter 35 is hereby added to the Monterey Municipal Code with the following provisions

35-88. TITLE. This ordinance shall be known as the Monterey General Transactions and Use Tax Ordinance. The City of Monterey hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

35-89. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

35-90. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax increase in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax increase at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax increase and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

35-91. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

35-92. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.5% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

35-93. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

35-94. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.5% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

35-95. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

35-96. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

35-97. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

35-98. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

- a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

- b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such



aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

35-99. TERMINATION DATE. The taxes imposed by this article shall expire nine years from the date the taxes imposed by this article are first collected. The taxes imposed by this article may be renewed prior to the termination date by a majority of the electors voting in an election.

Section 2. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 3. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 4. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 5. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately if the tax is imposed by a simple majority of the voters voting on the question at the March 3, 2020 election.

PASSED AND ADOPTED by the City Council of the City of Monterey, State of California, on [date], by the following vote:

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this \_\_\_\_\_ day of \_\_\_\_\_, 201\_, by the following vote:

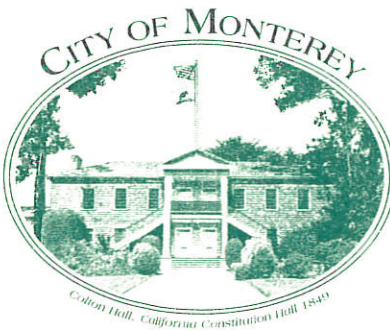
AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

APPROVED:

ATTEST:

\_\_\_\_\_  
Mayor of said City

\_\_\_\_\_  
City Clerk thereof



**RECEIVED**  
Monterey County Registrar of Voters  
DEC 06 2019

I, Clementine Bonner Klein, Acting City Clerk of the City of Monterey, County of Monterey, State of California, and ex-officio Clerk of the Council thereof, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 19-190 C.S. duly passed and adopted on the 19<sup>th</sup> day of November, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Monterey this 2<sup>nd</sup> day of December, 2019.



C. Bonner Klein  
Acting City Clerk  
City of Monterey

KING CITY UNION SCHOOL DISTRICT  
Monterey County, State of California

RECEIVED  
REGISTRAR OF VOTERS  
MONTEREY COUNTY  
2019 AUG 30 PM 3:08

2019-20

**RESOLUTION NO. 4:19/20**

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE HELD  
MARCH 3, 2020 FOR REPAIR AND RENOVATION PURPOSES**

WHEREAS, the Board of Trustees (the "Board") of the King City Union School District (the "District"), within the County of Monterey, California (the "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the Education Code of the State (the "Education Code"); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15266 *et seq.* of the Education Code (collectively, "Prop 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 said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, March 3, 2020 (the "Election Date") meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the Statewide primary election then pending; 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 Elections Code of the State;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Trustees of the King City Union School District as follows:

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

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the "Bond Proposition"), 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 of Trustees of the District (the "Board") hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the Monterey County Elections (herein called the "Registrar") call an election (in the performance of its duties and in the exercise of its power, alone, or with the assistance of such other officers of the County as it may request) to consider the proposition attached



hereto as **Exhibit A** on March 3, 2020 (the "Bond Measure"), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247.

The Registrar is hereby requested to reprint **Exhibit A** in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. As required under Elections Code Section 13247, the abbreviated form of the Bond Measure to appear on the ballot is attached hereto as **Exhibit B**. 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, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general 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 said 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 developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents, as more particularly identified on **Exhibit A** hereto, which is incorporated herein by this reference. **Exhibit A** is hereby certified by this 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 the California Environmental Quality Act ("CEQA") or other purposes, but only as a statement of present intention of this 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. 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 appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

Section 6. Citizens' Oversight Committee. Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this 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. 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 this 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 this 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 7. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 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 8. Other Terms of the Bonds. The maturity of any bonds issued pursuant to the Bond Measure and under Chapter 1.5, Part 10, Division 1, Title 1 of the Education Code (commencing with Section 15264), as amended, and Article XIII A of the California Constitution ("Article XIII A") shall not exceed twenty-five (25) years as to maturity and shall bear interest at a rate not to exceed the maximum legal interest rate per annum. The maturity of any bonds issued pursuant to the Bond Measure and under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as amended, applicable provisions of the Education Code and Article XIII A shall not exceed the applicable legal limits as to maturity, or, in the case of bonds the interest on which is compounded, the maturity shall not exceed twenty-five (25) years, and shall bear or accrete interest at a rate not to exceed the maximum legal interest rate.

Section 9. Approval of Election Consolidation; Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than December 6, 2019, one certified copy of this Resolution to the Board of Supervisors of the County with a copy to the Registrar, together with the Tax Rate Statement attached as Exhibit C and executed by the Superintendent of the District.

Section 10. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Registrar within the time limits established for such arguments by the Registrar.

Section 11. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds which may be authorized at the Election, to wit, (i) the law firm of Dannis Woliver Kelley as Bond Counsel to the District ("Bond Counsel") and (ii) the financial advisory firm of Dale Scott & Company, as Financial Advisor to the District (the "Financial Advisor"), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Superintendent.

Section 12. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may

be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds there from to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 13. 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 said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 14. Further Authorization. The members of this Board and the Superintendent (each, a "District Representative") 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 revisions to the Project List, modification of the Full Ballot Text, the Ballot Label, and Tax Rate Statement if he or she determines such modifications are necessary and in the District's best interests. This Resolution and all of its Exhibits that are filed with the Registrar by a District Representative shall constitute the final, binding ballot measure of the District and such submitted measure shall be deemed ratified and approved by the Board.

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

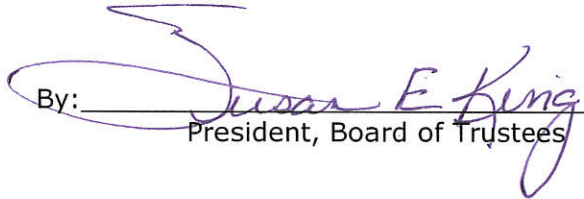
PASSED AND ADOPTED this 21st day of August, 2019, by the Board of Trustees of King City Union School District, at King City, California, by the following vote:

AYES: Members: 4 (King, Hinkle, Dodd, Myers)

NOES: Members: 0

ABSENT: Members: 1 Paramo

ABSTAIN: Members: 0

By:  \_\_\_\_\_  
President, Board of Trustees



## **EXHIBIT "A"**

### **FULL TEXT BALLOT PROPOSITION OF THE KING CITY UNION SCHOOL DISTRICT BOND ELECTION FOR MARCH 3, 2020**

#### **ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the King City Union School District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the King City Union School 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 Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the King City Union School District campus, and to determine which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. Proceeds from the sale of 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, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. 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.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent 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 results of the election appear in the minutes of the Board of Trustees.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in the Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following 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 of the District shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2020, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period

as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

### PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District, including Del Rey Elementary School, Santa Lucia Elementary School, Chalone Peaks Middle School, King City Arts Magnet School and King City Early Education Center.

The school facilities projects to be funded include, but shall not be limited to:

#### **School Renovation, Repair and Upgrade Projects**

- Renovate, repair, expand and/or upgrade the interior and/or exterior of existing classrooms and school facilities, including infrastructure and landscaping improvements.
- Construct and acquire new classrooms and school facilities throughout the District.
- Repair/replace existing plumbing systems to meet current codes, including drainage.
- Repair and upgrade roofs, ceilings, walls, and floors.
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity.
- Update or provide agriculture and vocational teaching facilities.
- Upgrade, expand, repair, replace and/or equip science labs, multi-purpose rooms, food service facilities, auditoriums, libraries, and other school facilities.
- Replace existing window systems with energy efficient systems.
- Repair or replace outdated temporary portable classrooms or replace with permanent classrooms.

#### **School Site Health, Safety and Security Projects**

- Upgrade or replace buildings that do not meet current minimum building code standards.
- Remove all dry rot and repair damage caused by dry rot.
- Replace/upgrade existing signage, bells, clocks and fire protection systems.
- Install, repair, upgrade, or replace safety and security systems for students and staff
- Install energy efficient systems including "green" building projects and sustainable building practices to promote energy-efficiency.
- Upgrade and repair play areas and play fields.
- Upgrade, repair, or expand school site parking, driveways, walkways, ground, and utilities.
- Abate and remove hazardous materials identified prior or during construction.
- Repair, replace and/or upgrade paved surfaces, turf, and other grounds to eliminate safety hazards and improve outside instructional areas.

#### **District-Wide Wiring and Technology for Instructional Support and Effective Learning Environment Projects**

- Upgrade and expand campus wide-intercom and wireless systems, and telecommunications, internet, and network connections.
- Upgrade media, audio/visual equipment, and other technology for effective learning environments, including smart boards and "distance learning".
- Upgrade and replace classroom equipment.
- Update technology and technology infrastructure to improve student access to computers and modern technology.

The projects will be completed as determined by the Governing Board. Each project may include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. The Project List includes the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. The repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replacement of worn-out and leaky roofs, windows, walls, doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities, including administrative, physical education/athletic facilities and performing arts buildings and maintenance yards; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping and play fields; expand parking; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces, upgrade classrooms, bleachers, kitchens, repair, upgrade and install interior and exterior lighting systems; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software.

The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. The District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

## **EXHIBIT B**

### **BOND MEASURE (Abbreviated Form)**

To renovate and modernize aging classrooms and facilities including leaking roofs, outdated plumbing and electrical wiring, build new classrooms and upgrade classroom technology at Del Rey Elementary, Santa Lucia Elementary, Chalone Peaks Middle, King City Arts Magnet School and King City Early Education Center, shall King City Union School District issue \$18,975,000 of bonds with legal rates, levies averaging less than 3 cents per \$100 of assessed valuation while bonds are outstanding (generating \$950,000/year), annual audits and citizens' oversight?	Bonds- YES
	Bonds- NO



## EXHIBIT "C"

### TAX RATE STATEMENT

An election will be held within the boundaries of King City Union School District ("District") on March 3, 2020 to authorize the sale of up to \$18,975,000 in bonds of the District to finance improvements to educational facilities as described in the measure. If such bonds are approved, authorized and sold, the principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 to 9404, inclusive, of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is 2.6 cents per \$100 of assessed valuation (\$26.00 per \$100,000 of assessed valuation). The final fiscal year in which it is anticipated that the tax will be collected is 2058.
2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement is 3 cents per \$100 of assessed valuation (\$30.00 per \$100,000 of assessed valuation) It is estimated that such rate would be levied in fiscal year 2050.
3. 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 approximately \$36 million.

Voters should note that the estimated tax rate is based on the assessed value (not market value) of taxable property on the Monterey County official tax rolls. In accordance with Education Code Section 15100, subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections (if any) of assessed property valuations made by the County Assessor. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and 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 foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from 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 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 District as determined by the County Assessor in the annual assessment and the equalization process. Accordingly, the actual tax rate and the years in which such rates are applicable may vary from those presently estimated as above stated.

Signed: \_\_\_\_\_

Rory Livingston, Superintendent

Dated: 8/27, 2019

KING CITY UNION SCHOOL DISTRICT  
Monterey County, State of California

RECEIVED  
REGISTRAR OF VOTERS  
MONTEREY COUNTY  
2019 AUG 30 PM 3:08

2019-20

**RESOLUTION NO. 3:19/20**

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE HELD  
MARCH 3, 2020 FOR SAFETY AND SECURITY PURPOSES**

WHEREAS, the Board of Trustees (the "Board") of the King City Union School District (the "District"), within the County of Monterey, California (the "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the Education Code of the State (the "Education Code"); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15266 *et seq.* of the Education Code (collectively, "Prop 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 said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, March 3, 2020 (the "Election Date") meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the Statewide primary election then pending; 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 Elections Code of the State;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Trustees of the King City Union School District as follows:

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

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the "Bond Proposition"), 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 of Trustees of the District (the "Board") hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the Monterey County Elections (herein called the "Registrar") call an election (in the performance of its duties and in the exercise of its power, alone, or with the assistance of such other officers of the County as it may request) to consider the proposition attached



hereto as **Exhibit A** on March 3, 2020 (the "Bond Measure"), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247.

The Registrar is hereby requested to reprint **Exhibit A** in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. As required under Elections Code Section 13247, the abbreviated form of the Bond Measure to appear on the ballot is attached hereto as **Exhibit B**. 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, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general 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 said 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 developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents, as more particularly identified on **Exhibit A** hereto, which is incorporated herein by this reference. **Exhibit A** is hereby certified by this 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 the California Environmental Quality Act ("CEQA") or other purposes, but only as a statement of present intention of this 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. 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 appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

Section 6. Citizens' Oversight Committee. Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this 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. 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 this 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 this 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.

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Section 9. Approval of Election Consolidation; Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than December 6, 2019, one certified copy of this Resolution to the Board of Supervisors of the County with a copy to the Registrar, together with the Tax Rate Statement attached as Exhibit C and executed by the Superintendent of the District.

Section 10. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Registrar within the time limits established for such arguments by the Registrar.

Section 11. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds which may be authorized at the Election, to wit, (i) the law firm of Dannis Woliver Kelley as Bond Counsel to the District ("Bond Counsel") and (ii) the financial advisory firm of Dale Scott & Company, as Financial Advisor to the District (the "Financial Advisor"), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Superintendent.

Section 12. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may



be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds there from to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 13. 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 said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 14. Further Authorization. The members of this Board and the Superintendent (each, a "District Representative") 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 revisions to the Project List, modification of the Full Ballot Text, the Ballot Label, and Tax Rate Statement if he or she determines such modifications are necessary and in the District's best interests. This Resolution and all of its Exhibits that are filed with the Registrar by a District Representative shall constitute the final, binding ballot measure of the District and such submitted measure shall be deemed ratified and approved by the Board.

Section 15. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

PASSED AND ADOPTED this 21st day of August, 2019, by the Board of Trustees of King City Union School District, at King City, California, by the following vote:

AYES: Members: 4 (King, Hinkle, Dodd, Myers)

NOES: Members: 0

ABSENT: Members: 1 - Paramo

ABSTAIN: Members: 0

By:

  
President, Board of Trustees

## **EXHIBIT "A"**

### **FULL TEXT BALLOT PROPOSITION OF THE KING CITY UNION SCHOOL DISTRICT BOND ELECTION FOR MARCH 3, 2020**

#### ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the King City Union School District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the King City Union School 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 Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the King City Union School District campus, and to determine which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. Proceeds from the sale of 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, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. 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.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent 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 results of the election appear in the minutes of the Board of Trustees.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in the Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following 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 of the District shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2020, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period

as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

### PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District, including Del Rey Elementary School, Santa Lucia Elementary School, Chalone Peaks Middle School, King City Arts Magnet School and King City Early Education Center.

The school facilities projects to be funded include, but shall not be limited to:

#### **School Renovation, Repair and Upgrade Projects**

- Renovate, repair, expand and/or upgrade the interior and/or exterior of existing classrooms and school facilities, including infrastructure and landscaping improvements.
- Construct and acquire new classrooms and school facilities throughout the District.
- Repair/replace existing plumbing systems to meet current codes, including drainage.
- Repair and upgrade roofs, ceilings, walls, and floors.
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity.
- Update or provide agriculture and vocational teaching facilities.
- Upgrade, expand, repair, replace and/or equip science labs, multi-purpose rooms, food service facilities, auditoriums, libraries, and other school facilities.
- Replace existing window systems with energy efficient systems.
- Repair or replace outdated temporary portable classrooms or replace with permanent classrooms.

#### **School Site Health, Safety and Security Projects**

- Upgrade or replace buildings that do not meet current minimum building code standards.
- Remove all dry rot and repair damage caused by dry rot.
- Replace/upgrade existing signage, bells, clocks and fire protection systems.
- Install, repair, upgrade, or replace safety and security systems for students and staff
- Install energy efficient systems including "green" building projects and sustainable building practices to promote energy-efficiency.
- Upgrade and repair play areas and play fields.
- Upgrade, repair, or expand school site parking, driveways, walkways, ground, and utilities.
- Abate and remove hazardous materials identified prior or during construction.
- Repair, replace and/or upgrade paved surfaces, turf, and other grounds to eliminate safety hazards and improve outside instructional areas.

#### **District-Wide Wiring and Technology for Instructional Support and Effective Learning Environment Projects**

- Upgrade and expand campus wide-intercom and wireless systems, and telecommunications, internet, and network connections.
- Upgrade media, audio/visual equipment, and other technology for effective learning environments, including smart boards and "distance learning".
- Upgrade and replace classroom equipment.
- Update technology and technology infrastructure to improve student access to computers and modern technology.



The projects will be completed as determined by the Governing Board. Each project may include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. The Project List includes the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. The repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replacement of worn-out and leaky roofs, windows, walls, doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities, including administrative, physical education/athletic facilities and performing arts buildings and maintenance yards; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping and play fields; expand parking; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces, upgrade classrooms, bleachers, kitchens, repair, upgrade and install interior and exterior lighting systems; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software.

The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. The District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

## **EXHIBIT B**

### **BOND MEASURE (Abbreviated Form)**

To improve student safety and campus security, upgrade emergency notification systems, replace aging portable classrooms and repair restrooms and playgrounds at Del Rey Elementary, Santa Lucia Elementary, Chalone Peaks Middle, King City Arts Magnet School and King City Early Education Center, shall King City Union School District issue \$19,325,000 of bonds with legal rates, levies averaging less than 3 cents per \$100 of assessed valuation while bonds are outstanding (generating \$960,000/year), annual audits and citizens' oversight?	Bonds- YES
	Bonds- NO

## EXHIBIT "C"

### TAX RATE STATEMENT

An election will be held within the boundaries of King City Union School District ("District") on March 3, 2020 to authorize the sale of up to \$19,325,000 in bonds of the District to finance improvements to educational facilities as described in the measure. If such bonds are approved, authorized and sold, the principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 to 9404, inclusive, of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is 2.7 cents per \$100 of assessed valuation (\$27.00 per \$100,000 of assessed valuation). The final fiscal year in which it is anticipated that the tax will be collected is 2059.
2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement is 3 cents per \$100 of assessed valuation (\$30.00 per \$100,000 of assessed valuation) It is estimated that such rate would be levied in fiscal year 2050.
3. 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 approximately \$37.5 million.

Voters should note that the estimated tax rate is based on the assessed value (not market value) of taxable property on the Monterey County official tax rolls. In accordance with Education Code Section 15100, subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections (if any) of assessed property valuations made by the County Assessor. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and 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 foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from 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 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 District as determined by the County Assessor in the annual assessment and the equalization process. Accordingly, the actual tax rate and the years in which such rates are applicable may vary from those presently estimated as above stated.

Signed:   
Rory Livingston, Superintendent

Dated: 8/27, 2019



RESOLUTION NO. 1036

RECEIVED  
REGISTRAR OF VOTERS  
MONTEREY COUNTY

2019 OCT 28 AM 9:57

**RESOLUTION OF THE BOARD OF EDUCATION OF THE  
PACIFIC GROVE UNIFIED SCHOOL DISTRICT ORDERING AN  
ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL BONDS,  
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND  
REQUESTING CONSOLIDATION WITH OTHER ELECTIONS  
OCCURRING ON MARCH 3, 2020**

**WHEREAS**, the Pacific Grove Unified School District (the "District") in Monterey County (the "County"), State of California, is committed to providing quality education to its students; and

**WHEREAS**, the District's facilities are in need of repairs, upgrades, modernization and safety improvements in order to provide the education District students deserve in a safe and modern environment; and

**WHEREAS**, a local funding source is needed to enable the District to provide said facilities for its present and future students; and

**WHEREAS**, the Board of Education of the District (the "Board") has determined that it is necessary to address the foregoing concerns, among others, to ensure that its schools are upgraded, repaired, improved and equipped; and

**WHEREAS**, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Articles XIII A of the California Constitution ("Article XIII A") to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district approved by at least 55 percent of the voters voting on such proposition; and

**WHEREAS**, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Act"), became operative; and

**WHEREAS**, in order to address the facilities needs of the District as described herein, in the judgment of the Board, it is advisable to call an election pursuant to the Act to submit to the electors of the District the question whether bonds of the District shall be issued and sold pursuant to the authority of Article XVI Section 18 of the California Constitution and Article XIII A (together with the Act, the "Law") for the purposes authorized by the Law and as described in Appendix A hereto (the "Full Text of Bond Measure"); and

**WHEREAS**, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election at which all of the electors of the District are entitled to vote, or a statewide special election, upon a two-thirds vote of the Board; and

**WHEREAS**, the Board desires to call an election in the District pursuant to the Law on March 3, 2020, which is the date of the statewide primary election, and pursuant to Education Code Section 15121 and Elections Code Section 10400 and following, to



request consolidation with any and all other elections held in the District on such date, and to request the Monterey County Registrar of Voters (the "County Registrar") to perform election services for the District; and

**WHEREAS**, in connection with the calling of a bond election and in accordance with Education Code Section 15100 subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuations made by the County assessor; and

**WHEREAS**, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

**WHEREAS**, the Board wishes at this time to take the necessary actions to declare its official intent to reimburse the expenditures referenced herein from the proceeds of bonds issued pursuant to voter authorization;

**NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PACIFIC GROVE UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Recitals.** The foregoing recitals are true and correct.

**Section 2. Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$30 million for the purposes described in the ballot measure approved under Section 4 and attached hereto as Appendix A (Full Text of Bond Measure) and Appendix B (Abbreviated Text of Bond Measure), and paying all costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

**Section 3. Election Date.** The date of the election shall be March 3, 2020, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District's last election.

**Section 4. Purpose of Election; Ballot Measure.** The purpose of the election shall be for the voters in the District to vote on a bond measure, a full copy of which is attached hereto as Appendix A and marked "Appendix A – Full Text of Bond Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue general obligation bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF BOND MEASURE" and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure by the County elections official. As required by Education Code Section 5322 and Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Appendix B –

Abbreviated Form of Bond Measure.” The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to this resolution or the text of the measure as described herein to conform to any requirements of the Law or the County Registrar.

**Section 5. Authority for Election.** The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code, Article XVI Section 18(b) of the California Constitution and paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

**Section 6. Proceeds for School Facilities Projects.** The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

**Section 7. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures.** As required by Article XIII A, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

- (a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A;
- (c) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
- (d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;
- (e) cause the creation of accounts into which bond proceeds shall be deposited; and
- (f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

**Section 8. State Matching Funds.** The Board hereby finds that some of the projects identified on the Full Text of Measure will require state matching funds for completion. As such, the statement required by Education Code Section 15122.5 has been included in the Full Text of Measure.

**Section 9. Delivery of this Resolution.** The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the Monterey County Superintendent of Schools, (2) the County Registrar, and (3) the Monterey County Clerk of the Board of Supervisors (the "Clerk of the Board") for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

**Section 10. Consolidation of Election; Request to Provide Services.** The County Registrar and the Monterey County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on March 3, 2020 within the District.

Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Monterey County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Monterey County in full upon presentation of a bill from the County, such services to include the publication of a formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

**Section 11. Approval of Tax Rate Statement.** Pursuant to Elections Code Section 9401, a tax rate statement has been prepared in the form attached hereto as Appendix C, which form of Tax Rate Statement is hereby approved for inclusion in the sample ballot. The President of the Board, the Superintendent, or any written designee of the foregoing, are hereby separately authorized and directed to execute the tax rate statement, and to file said Statement with the County Registrar, in accordance with Section 9 hereof.

**Section 12. Ballot Arguments.** As provided in Elections Code Section 9501, any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument.

**Section 13. Maturity Limit of Bonds.** The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of such issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

**Section 14. Reimbursement.** The District hereby declares that it may pay certain costs of the projects listed in Appendix A prior to the date of issuance of bonds and, in such case, intends to use a portion of the proceeds of bonds for reimbursement of expenditures for the projects that are paid before the date of issuance of bonds.

**Section 15. Official Actions.** The President of the Board and the Superintendent are hereby separately authorized and directed to execute and deliver to County officials

any directions, requisitions or other writings, and to make any changes to the texts of the measure as described herein and in the tax rate statement, to conform to any legal requirements or the County Registrar, in order to cause the election to be held and conducted in the District.

**Section 16. Effective Date.** This resolution shall take effect on and after its adoption.

\* \* \* \* \*

The foregoing Resolution was adopted by the Board of Education of the Pacific Grove Unified School District of Monterey County, being the Board authorized by law to make the designations therein contained by the following vote, on October 3, 2019.

Adopted by the following votes: *[2/3 of entire Board required for approval]*

AYES: 5


NOES: 0

ABSENT: 0

ABSTAIN: 0

Attest:

  
\_\_\_\_\_  
Clerk/Secretary of the Board

  
\_\_\_\_\_  
President of the Board



## APPENDIX A

### FULL TEXT OF BOND MEASURE

#### **INTRODUCTION**

To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation while bonds are outstanding (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?

#### **BOND AUTHORIZATION**

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Pacific Grove Unified School District will be authorized to issue and sell bonds of up to \$30 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

#### **ACCOUNTABILITY REQUIREMENTS**

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be 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 Education Code Sections 15264 and following.)

**Evaluation of Needs.** The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

**Independent Citizens' Oversight Committee.** Following approval of this measure, the Board of Education will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

**Performance Audits.** The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

**Financial Audits.** The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

**Government Code Accountability Requirements.** As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Monterey County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Education of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

### **NO TEACHER OR ADMINISTRATOR SALARIES**

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

### **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, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

### **PACIFIC GROVE USD - BOND PROJECT LIST**

**Scope of Projects.** Bond proceeds will be expended on the construction, reconstruction, rehabilitation, or replacement of school facilities of the Pacific Grove Unified School District, including furnishing and equipping, and the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries or other school operating expenses, in compliance with California Constitution Article XIII A, Section 1(b)(3). This measure authorizes bond projects to be undertaken at all current and future District sites including:

Forest Grove School	Robert Down School
David Avenue Facilities	Pacific Grove Middle School
Pacific Grove High School	Pacific Grove Adult Education Site
Community High School	Maintenance Facility
District Administrative Offices	Transportation Facility

## Adult Education Co-Op Preschools

**School Facility Project List.** The items presented on the following list provide are the types of projects authorized to be financed with voter-approved bond proceeds. Specific examples included on this list are not intended to limit the types of projects described on this list and authorized by this measure. The types of projects authorized are:

- Reconstruct, Rehabilitate and Replace facilities as needed
- Replace or repair deteriorating roofs, plumbing, sewer and gas lines and electrical systems
- Repair and refurbish classrooms
- Install, repair and/or replace electrical and lighting systems including energy saving upgrades
- Install exterior safety lighting on walkways and in parking lots
- Install, repair and/or replace and upgrade science and computer labs and classrooms
- Install, repair and/or replace science classroom fixtures
- Improve earthquake resistance systems
- Install insulation and weatherstripping
- Install, repair and/or replace flooring
- Install, repair and/or replace doors, door hardware, and keying
- Install, repair and/or replace ceilings
- Install, repair and/or replace interior and exterior finishes
- Install energy management systems
- Install new windows
- Improve site storm drainage
- Install, repair and/or replace and upgrade irrigation systems and drought tolerant landscaping
- Install, repair and/or replace fencing
- Install, repair and/or refurbish restrooms and shower areas
- Repair, replace or upgrade spectator bleachers
- Repair, replace or upgrade retaining walls
- Repair, replace or upgrade deteriorating athletic facilities including, but not limited to, baseball/softball, tennis, pool equipment, basketball, volleyball, and wrestling facilities
- Repair, replace or upgrade deteriorating athletic fencing and surfaces
- Install, repair and/or replace fire alarm and suppression systems

- Repair, replace or upgrade roofing and gutter systems
- Repair, replace or upgrade aging and inadequate heating, ventilation and air conditioning systems and controls
- Replace aging portable buildings with modern facilities
- Remove hazardous materials as needed
- Replace playgrounds to meet current safety and ADA standards.
- Repair, replace or upgrade elevators and lifts
- Repair, replace or upgrade theatre and musical facilities
- Upgrade older schools so they meet the same academic safety standards as newer schools
- Replace old windows to improve energy efficiency and improve learning environments
- Repair, replace, and/or install new artificial turf fields and all weather track surface
- Acquire, install and/or upgrade campus security systems, communications systems, and bell systems
- Improve site access and ADA compliance
- Renovate cafeterias and kitchens
- Repair or replace deteriorating asphalt, sidewalks and walkways
- Repair and refurbish classrooms
- Purchase, repair and/or replace maintenance vehicles
- Install, repair and/or replace Grounds equipment
- Install, repair and/or replace technological infrastructures and wiring, including but not limited to computer servers, WiFi systems, switches, and equipment rooms.

Each of the bond projects described in this Bond Project List include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above.

Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities



for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; project construction oversight, management and administration during the duration of such projects, including by District personnel, and bond issuance costs.

Unforeseen conditions may arise during the course of planning, design and construction resulting in the scope and nature of any of the specific projects described above being altered by the District. In the event that the District determines that a modernization or renovation project is more economical for the District or otherwise in the District's best interests to be undertaken as new construction, this bond measure authorizes said new construction, including land acquisition, relocation, expansion and construction and/or reconstruction, and all costs relating thereto. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests, required to expand District facilities, to provide access to school or other District facilities, or to provide additional school or related facilities. Further, authorized projects include reimbursements for project costs previously paid and paying and/or prepaying interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes, and including payment and prepayment of lease payments relating to projects and/or equipment previously financed. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with funds generated by this bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

The order in which projects are listed in the foregoing Bond Project List does not suggest an order of priority. Project prioritization is vested in and will be determined by the District Board of Education.

#### **INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT**

This measure authorizes the issuance of general obligation bonds to finance the types of projects set forth on the Bond Project List set forth below, to be repaid by tax collections for the years that bonds are outstanding. The measure presented to District voters on the Ballot, as set forth above under the heading "INTRODUCTION", includes information regarding the expected average amount of money to be raised annually to pay issued bonds, the estimated rate of the approved tax per \$100 of assessed valuation, and the year through which it is approximated the proposed tax will be levied and collected. Each of these estimates and approximations are provided as informational only. Such amounts are estimates only, and are not maximum amounts or limitations on the terms of the bonds or the tax rate or duration supporting repayment of bonds. The approximations and estimates provided depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest

rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations have been provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District.

**APPENDIX B**

**ABBREVIATED FORM OF BOND MEASURE**

---

To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation while bonds are outstanding (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?

Bonds—Yes

Bonds—No

---

## **APPENDIX C**

### **TAX RATE STATEMENT REGARDING PROPOSED**

#### **\$30 MILLION PACIFIC GROVE UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS**

An election will be held in the Pacific Grove Unified School District (the "District") on March 3, 2020, to authorize the sale of up to \$30 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such 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 District's assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.025 per \$100 of assessed valuation (or \$25.00 per \$100,000 of assessed value). The final fiscal year in which the tax is anticipated to be collected is 2038-39.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.0425 per \$100 of assessed valuation (or \$42.50 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2033-34 and following.
3. The best estimate 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 approximately \$38.5 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and 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 foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and



market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

By:   
\_\_\_\_\_  
Superintendent  
Pacific Grove Unified School District



[www.pgusd.org](http://www.pgusd.org)

## PACIFIC GROVE UNIFIED SCHOOL DISTRICT

435 Hillcrest Avenue Pacific Grove, CA 93950

**Dr. Ralph Gómez Porras**  
**Superintendent**  
(831) 646-6520  
Fax (831) 646-6500  
rporras@pgusd.org

**Song Chin-Bendib**  
**Assistant Superintendent**  
(831) 646-6509  
Fax (831) 646-6582  
schinbendib@pgusd.org

November 25, 2019

Mr. Claudio Valenzuela  
Care of: Ms. Jessica Cedillo  
*Monterey County Registrar of Voters*  
**MONTEREY COUNTY**  
1441 Schilling Place - North Building  
Salinas, CA 93901  
Phone: (831) 796-1499

Ms. Valerie Ralph  
*Monterey County Clerk of the Board of Supervisors*  
**MONTEREY COUNTY**  
Government Center  
168 Alisal Street, 1st Floor  
Salinas, CA 93901  
Phone: (831) 755-5066

RECEIVED  
REGISTRAR OF VOTERS  
MONTEREY COUNTY  
2019 NOV 27 PM 12:31

**DELIVERY METHOD:** E-Mail followed by Overnight Hard Copy

**Re: Pacific Grove Unified School District**  
**General Obligation Bond Election (55%) – March 3, 2020**  
**Revision to 75 word statement of measure for Ballot Label**

Dear Mr. Valenzuela, Ms. Cedillo and Ms. Ralph:

Pacific Grove Unified School District has filed its Resolution Calling Election (March 3, 2020) with your offices. The District has been advised by the office of the Registrar of Voters that it recommends that the 75 word statement of the Bond Measure (see pages A-1 and B-1 of the Resolution), that will appear on the ballot label, should address the duration of the proposed property tax with reference to a specific year.

Section 4 of the Resolution provides as follows:

*"The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to this resolution or the text of the measure as described herein to conform to any requirements of the Law or the County Registrar."*

## ATTACHMENT 1

To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation **through approximately 2039** (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?

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MONTEREY COUNTY  
2019 NOV 27 PM 12:31

To replace outdated plumbing/electrical systems, upgrade fire alarms and emergency communication systems; repair/replace roofs and modernize classrooms at schools throughout the district, shall the Pacific Grove Unified School District measure authorizing \$30 million of bonds be adopted with legal rates, yearly levies of less than 3 cents per \$100 of assessed valuation through approximately 2039 (generating an average of \$2.1 million dollars per year), annual audits, independent oversight and no estimated increase in current tax rates?

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2019 NOV 27 PM 12:31



RESOLUTION NO. 10-05-19

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REGISTRAR OF VOTERS  
MONTEREY COUNTY

2019 NOV 21 PM 2:34

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
SOLEDAD UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION TO  
AUTHORIZE THE ISSUANCE OF SCHOOL BONDS FOR AFFORDABLE RENTAL  
HOUSING FOR TEACHERS AND EMPLOYEES, ESTABLISHING  
SPECIFICATIONS OF THE ELECTION ORDER, AND REQUESTING  
CONSOLIDATION WITH OTHER ELECTIONS OCCURRING ON MARCH 3, 2020**

**WHEREAS**, the Soledad Unified School District (the "District") in Monterey County (the "County"), State of California, is committed to providing quality education to its students; and

**WHEREAS**, the low supply of housing in the District makes it difficult for the District to ensure it has sufficient teachers and other employees as needed to enable the District to continue to provide quality education to its students; and

**WHEREAS**, the Board of Trustees of the District (the "Board") has determined that in order to recruit and retain high quality teachers and other employees of the District, it is advisable to provide affordable rental housing for such teachers and employees; and

**WHEREAS**, pursuant to the Teacher Housing Act of 2016, constituting Part 14 (commencing with Section 53570) of Division 31 of the Health and Safety Code of the State of California (the "Teacher Housing Act"), the State Legislature has found and declared that the stability of housing for school employees is critical to the overall success and stability of schools in California, and that students and the community at large are benefited by teachers living in the community in which they work; and

**WHEREAS**, the Teacher Housing Act authorizes a school district to establish and maintain programs that address the housing needs of teachers and school district employees; and

**WHEREAS**, to that end, the Board wishes to submit to the voters of the District a measure authorizing the issuance of general obligation bonds of the District for the purpose of financing the acquisition, construction and improvement of affordable rental housing (as such term is defined in the Teacher Housing Act) for teachers and employees of the District, to be built on land which is owned or will be owned by the District; and

**WHEREAS**, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Articles XIII A of the California Constitution ("Article XIII A") to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

**WHEREAS**, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Act"), became operative; and

**WHEREAS**, in order to address the facilities needs of the District as described herein, in the judgment of the Board, it is advisable to call an election pursuant to the Act to submit to the electors of the District the question whether bonds of the District shall be issued and sold pursuant to the authority of Article XVI Section 18 of the California Constitution and Article XIII A (together with the Act, the "Law") for the purposes authorized by the Law and as described in Appendix A hereto (the "Full Text of Bond Measure"); and

**WHEREAS**, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election at which all of the electors of the District are entitled to vote, or a statewide special election, upon a two-thirds vote of the Board; and

**WHEREAS**, the Board desires to call an election in the District pursuant to the Law on March 3, 2020, which is the date of the statewide primary election, and pursuant to Education Code Section 15121 and Elections Code Section 10400 and following, to request consolidation with any and all other elections held in the District on such date, and to request the Monterey County Registrar of Voters (the "County Registrar") to perform election services for the District; and

**WHEREAS**, in connection with the calling of a bond election and in accordance with Education Code Section 15100 subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuations made by the County assessor, if any; and

**NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SOLEDAD UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1. Recitals; Determinations.** The foregoing recitals are true and correct. The Board hereby determines to establish and maintain a program that addresses the housing needs of teachers and school district employees as authorized by the Teacher Housing Act.

**Section 2. Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$11,500,000 for the purpose of financing the acquisition, construction and improvement of affordable rental housing (as such term is defined in the Teacher Housing Act) for teachers and employees of the District, as more fully described in the ballot measure approved under Section 4 and attached hereto as Appendix A (Full Text of Bond Measure) and Appendix B (Abbreviated Text of Bond Measure), and paying all costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

**Section 3. Election Date.** The date of the election shall be March 3, 2020, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District's last election.

**Section 4. Purpose of Election; Ballot Measure.** The purpose of the election shall be for the voters in the District to vote on a bond measure, a full copy of which is attached hereto as Appendix A and marked "Appendix A – Full Text of Bond Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue general obligation bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF BOND MEASURE" and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure by the County elections official. As required by Education Code Section 5322 and Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot label is attached hereto as Appendix B and is marked as "Appendix B – Abbreviated Form of Bond Measure." The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to the text of the measure to conform to any requirements of the Law or the County Registrar, to reflect changes in applicable legal provisions, and upon the advice of its legal counsel. Any such changes shall be directed in writing by the Superintendent to the County Registrar.

**Section 5. Authority for Election.** The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code, Article XVI Section 18(b) of the California Constitution

and paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

**Section 6. Proceeds for School Facilities Projects.** The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

**Section 7. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures.** As required by Article XIII A, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

- (a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A;
- (c) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
- (d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;
- (e) cause the creation of accounts into which bond proceeds shall be deposited; and
- (f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

**Section 8. Delivery of this Resolution.** The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the County Registrar, and (2) the Monterey County Clerk of the Board of Supervisors (the "Clerk of the Board") for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

**Section 9. Consolidation of Election; Request to Provide Services.** The County Registrar and the Monterey County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on March 3, 2020 within the District.

Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Monterey County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Monterey County in full upon presentation of a bill from the County, such services to include the publication of a formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).



**Section 10. Approval of Tax Rate Statement.** Pursuant to Elections Code Section 9401, a tax rate statement has been prepared in the form attached hereto as Appendix C, which form of Tax Rate Statement is hereby approved for inclusion in the sample ballot. The President of the Board, the Superintendent, or any written designee of the foregoing, are hereby separately authorized and directed to execute the tax rate statement, and to file said Statement with the County Registrar, in accordance with Section 8 hereof.

**Section 11. Ballot Arguments.** As provided in Elections Code Section 9501, any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument.

**Section 12. Maturity Limit of Bonds.** The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of such issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

**Section 13. Estimates Included in Ballot Materials.** The measure authorized by this Resolution includes information presented to voters with respect to the amount of money required to repay issued bonds, the estimated rate of the approved tax per \$100 of assessed valuation, and the period through which the proposed tax supporting bond repayment will be levied and collected, among others. Any such estimates have been provided by the District in good faith based upon information currently available to the District, but depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan. Such estimates and approximations are not intended by the Board nor shall be interpreted or construed as additional restrictions on the District's bond program, bond issuances and related tax rate, and, other than the total principal amount of bonds authorized to be issued by the bond measure, do not represent legal maximums or additional limitations beyond applicable legal requirements.

**Section 14. Engagement of Bond Counsel.** The Board retains the firm of Jones Hall, A Professional Law Corporation as legal counsel in connection with the proceedings for the election and for the issuance of any bonds which are authorized under the election. The Superintendent is authorized to execute an agreement with Jones Hall providing for legal services rendered in connection with the proceedings described herein.

**Section 15. Official Actions.** The President of the Board and the Superintendent are hereby separately authorized and directed to execute and deliver to County officials any directions, requisitions or other writings, and to make any changes or additions to the text of the measure as described herein and in the tax rate statement, to conform to any legal requirements or the County Registrar, in order to cause the election to be held and conducted in the District. In particular, in the event that Senate Bill 268 is signed by the Governor, said officials are authorized to make any changes, modifications or supplements to the measure, statements, information and/or the directives contained herein in order to comply with the legal provisions that take effect with the enactment of said Bill.

**Section 16. Effective Date.** This resolution shall take effect on and after its adoption.

\* \* \* \* \*



The foregoing Resolution was adopted by the Board of Trustees of the Soledad Unified School District of Monterey County, being the Board authorized by law to make the designations therein contained by the following vote, on October 9, 2019.

Adopted by the following votes: *[2/3 of Board required for approval]*

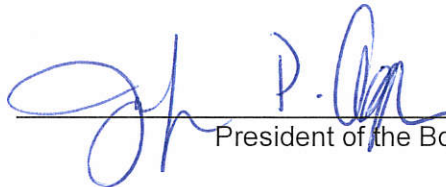
AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0

Attest:

  
\_\_\_\_\_  
President of the Board

  
\_\_\_\_\_  
Clerk/Secretary of the Board

## APPENDIX A

### FULL TEXT OF BOND MEASURE

#### INTRODUCTION

The following is the abbreviated form of the bond measure:

"To allow Soledad's teachers and staff to live in the community in which they work and improve the school district's ability to attract and retain highly qualified employees by constructing teacher-staff rental housing, shall the Soledad Unified School District measure authorizing \$11.5 million of bonds be adopted with legal interest rates raising approximately \$750,000 for annual repayment while bonds are outstanding, projected levies of less than \$0.03 per \$100 assessed valuation, annual audits and citizens' oversight?"

#### BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Soledad Unified School District will be authorized to issue and sell bonds of up to \$11.5 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

#### ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be 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 Education Code Sections 15264 and following.)

**Evaluation of Needs.** The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

**Independent Citizens' Oversight Committee.** Following approval of this measure, the Board of Trustees will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

**Performance Audits.** The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

**Financial Audits.** The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

**Government Code Accountability Requirements.** As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Monterey County Treasurer, as required by the

California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

### **NO TEACHER OR ADMINISTRATOR SALARIES**

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

### **INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT**

Voters are informed that any estimates or projections in the bond measure or ballot materials, including relating to estimated tax rates, the duration of issued bonds and related projected tax levies and collections are provided as informational only. Such amounts are estimates and are not maximum amounts or limitations on the terms of the bonds, the tax rate or duration of the tax supporting repayment of issued bonds. Such estimates depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations are provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District.

### **BOND PROJECT LIST**

Bond proceeds will be expended on the construction, reconstruction, rehabilitation, or replacement of school facilities of the Soledad Unified School District, and not for any other purpose, including teacher and administrator salaries or other school operating expenses, in compliance with California Constitution Article XIII A, Section 1(b)(3). This measure authorizes bond projects to be undertaken at all current and future District properties.

The items presented on this list are the specific types of projects authorized to be financed with voter-approved bond proceeds. Examples provided below are not intended to limit the broader types of projects described on this list and authorized by this measure. The types of projects authorized are:

#### **CONSTRUCTION OF RENTAL HOUSING FOR DISTRICT TEACHERS AND STAFF**

- Design, construction and acquisition of rental housing units
- Parking lot construction and improvement as needed
- Architect and engineering fees
- General contractor fees
- Labor and material costs
- Sewer capacity improvements
- Environmental review
- Rezoning application fees as required
- Municipal licensing fees as required

Each of the bond projects described in this Bond Project List include all costs which are incidental but directly related to the types of projects described above.

Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage (if any) during construction including relocation and construction costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; addressing unforeseen conditions revealed by construction and other necessary improvements required to comply with existing building codes and state and federal laws and regulations; costs of the election; project construction oversight, management and administration during the duration of such projects, including by District personnel, and bond issuance costs. Furnishing and equipping bond financed facilities are also authorized projects. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests. Further, authorized projects include reimbursements for project costs previously paid by the District, and the payment or prepayment of interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes and capital leases relating to projects and/or equipment previously financed. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

Unforeseen conditions may arise during the course of planning, design and construction resulting in the scope and nature of any of the specific projects described above being altered by the District.

The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed. Determinations including timing, phasing and prioritization of authorized projects are vested in the District Board.



## APPENDIX B

### ABBREVIATED FORM OF BOND MEASURE\*

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“To allow Soledad’s teachers and staff to live in the community in which they work and improve the school district’s ability to attract and retain highly qualified employees by constructing teacher-staff rental housing, shall the Soledad Unified School District measure authorizing \$11.5 million of bonds be adopted with legal interest rates raising approximately \$750,000 for annual repayment while bonds are outstanding, projected levies of less than \$0.03 per \$100 assessed valuation, annual audits and citizens’ oversight?”

Bonds—Yes

Bonds—No

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\*75 words or less.

## APPENDIX C

### TAX RATE STATEMENT REGARDING PROPOSED \$11.5 MILLION SOLEDAD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS

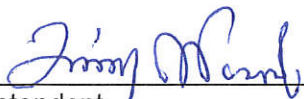
An election will be held in the Soledad Unified School District (the "District") on March 3, 2020, to authorize the sale of up to \$11.5 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such 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 District's assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.025 per \$100 of assessed valuation (or \$25.00 per \$100,000 of assessed value). The final fiscal year in which the tax is anticipated to be collected is 2048-49.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.027 per \$100 of assessed valuation (or \$27.00 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2021-22 and following.
3. The best estimate 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 approximately \$21.5 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and 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 foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

By:   
Superintendent  
Soledad Unified School District

## Soledad Unified School District

### MEMBERS OF THE BOARD

Josie Perez-Aguilera, President  
Javier Galvan, Vice President  
Monica Pantoja, Clerk  
Jess Barreras, Trustee  
Alfredo Flores, Trustee



Timothy J. Vanoli  
Superintendent

Randy Bangs  
Associate Superintendent of

1261 Metz Rd., Soledad, CA 93960

November 25, 2019

Mr. Claudio Valenzuela  
Care of: Ms. Jessica Cedillo  
Monterey County Registrar of Voters  
**MONTEREY COUNTY**  
1441 Schilling Place - North Building  
Salinas, CA 93901  
Phone: (831) 796-1499

Ms. Valerie Ralph  
Monterey County Clerk of the Board of Supervisors  
**MONTEREY COUNTY**  
Government Center  
168 Alisal Street, 1st Floor  
Salinas, CA 93901  
Phone: (831) 755-5066

**DELIVERY METHOD:** E-Mail followed by Overnight Hard Copy

Re: **Soledad Unified School District**  
**General Obligation Bond Election (55%) – March 3, 2020**  
**Revision to 75 word statement of measure for Ballot Label**

2019 NOV 27 PM 12:31  
REGISTERED VOTERS  
MONTEREY COUNTY

Dear Mr. Valenzuela, Ms. Cedillo and Ms. Ralph:

Soledad Unified School District has filed its Resolution Calling Election (March 3, 2020) with your offices. The District has been advised by the office of the Registrar of Voters that it recommends that the 75 word statement of the Bond Measure (see pages A-1 and B-1 of the Resolution), that will appear on the ballot label, should address the duration of the proposed property tax with reference to a specific year.

Section 4 of the Resolution provides as follows:

*"The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to the text of the measure to conform to any requirements of the Law or the County Registrar, to reflect changes in applicable legal provisions, and upon the advice of its legal counsel. Any such changes shall be directed in writing by the Superintendent to the County Registrar."*

Pursuant to the authority delegated to me, as Superintendent, to direct changes to the 75 word statement of the bond measure, I hereby direct that the 75 word measure as set forth on pages A-1 and B-1 of the Resolution be revised as set forth on Attachment 1 hereto, to insert the year through which the tax will be collected. No other revisions are directed hereby.

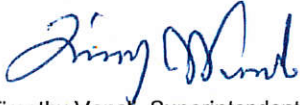
Telephone: (831) 678-3987 \* General Fax: (831) 678-2866 \* Superintendent/H.R. Fax: (831) 678-1496

Mr. Claudio Valenzuela & Ms. Valeria Ralph  
November 25, 2019 Re: GO Bond Election March 3, 2020  
Page 2

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Please do not hesitate to contact me, our Bond Counsel, Courtney Jones of Jones Hall APLC at (415) 391-5780 or our Financial Advisor, Dale Scott at (415) 956-1030, with any questions on the attached.

Yours very truly,



Timothy Vanoli, Superintendent  
Soledad Unified School District

Cc: (Via E-mail)  
Courtney L. Jones, Esq., Jones Hall, Bond Counsel  
Ph: (415) 391-5780  
cjones@joneshall.com

Dale Scott, Financial Advisor  
Ph: (415) 956-1030  
dscott@dalescott.com

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## ATTACHMENT 1

To allow Soledad's teachers and staff to live in the community in which they work and improve the school district's ability to attract and retain highly qualified employees by constructing teacher-staff rental housing, shall the Soledad Unified School District measure authorizing \$11.5 million of bonds be adopted with legal interest rates raising approximately \$750,000 for annual repayment **through approximately 2049**, projected levies of less than \$0.03 per \$100 assessed valuation, annual audits and citizens' oversight?

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2019 NOV 27 PM 12:31

DEC 06 2019

**AROMAS-SAN JUAN UNIFIED SCHOOL DISTRICT  
San Benito, Santa Cruz and Monterey Counties, State of California**

**2019-20**

**RESOLUTION NO. 1920-14**

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE HELD  
MARCH 3, 2020**

WHEREAS, the Board of Trustees (the "Board") of the Aromas-San Juan Unified School District (the "District"), within the Counties of San Benito, Santa Cruz and Monterey, California (the "Counties" and, each a "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the Education Code of the State (the "Education Code"); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15266 *et seq.* of the Education Code (collectively, "Prop 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 Counties to levy an *ad valorem* property tax to pay debt service on said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, March 3, 2020 (the "Election Date") meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the Statewide primary election then pending; 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 Elections Code of the State;

WHEREAS, the District previously received authorization to issue \$9.7 million aggregate principal amount of general obligation bonds pursuant to an authorization of the qualified electors in the District on November 2, 2010 ("Measure Z") of which \$4.2 million in general obligation bonds remain authorized but unissued (the "Unissued Measure Z Bonds");

WHEREAS, in order to ensure that the issuance of the bonds under the Bond Measure (as defined below) will not result in an increase in the total authorized District debt pursuant to Measure Z, the Board has determined and shall covenant that prior to issuing any series of bonds under the Bond Measure, the Board will take all actions which are required in order to cancel a like aggregate principal amount of Measure Z Bonds;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Trustees of the Aromas-San Juan Unified School District as follows:

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

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the "Bond Proposition"), 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 of Trustees of the District (the "Board") hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the San Benito County Registrar of Voters (herein called the "San Benito Registrar"), the Santa Cruz County Elections Department (herein called the "Santa Cruz Registrar") and Monterey County Elections (herein called the "Monterey Registrar" and together with the San Benito Registrar and the Monterey Registrar, the "Registrars") each call an election (in the performance of their duties and in the exercise of their power, alone, or with the assistance of such other officers of the respective County as they may request) to consider the proposition attached hereto as **Exhibit A** on March 3, 2020 (the "Bond Measure"), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247.

The Registrars are hereby requested to reprint **Exhibit A** in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. As required under Elections Code Section 13247, the abbreviated form of the Bond Measure to appear on the ballot is attached hereto as **Exhibit B**. 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 each of the Registrars, who are hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in each County, and persons appointed and designated to serve as election officers for said Bond Election will be those determined, designated, and appointed pursuant to state law by the Registrars. Each 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 each 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 developed a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents, as more particularly identified on **Exhibit A** hereto, which is incorporated herein by this reference. **Exhibit A** is hereby certified by this 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 the California Environmental Quality Act ("CEQA") or other purposes, but only as a statement of present intention of this 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. 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 appended hereto, evaluated and taken into consideration safety, class size reduction and information technology needs.

Section 6. Citizens' Oversight Committee. Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the Counties, this 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. 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 this 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 this 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 7. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 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 8. Other Terms of the Bonds. The maturity of any bonds issued pursuant to the Bond Measure and under Chapter 1.5, Part 10, Division 1, Title 1 of the Education Code (commencing with Section 15264), as amended, and Article XIII A of the California Constitution ("Article XIII A") shall not exceed twenty-five (25) years as to maturity and shall bear interest at a rate not to exceed the maximum legal interest rate per annum. The maturity of any bonds issued pursuant to the Bond Measure and under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, as amended, applicable provisions of the Education Code and Article XIII A shall not exceed the applicable legal limits as to maturity, or, in the case of bonds the interest on which is compounded, the maturity shall not exceed twenty-five (25) years, and shall bear or accrete interest at a rate not to exceed the maximum legal interest rate.

Section 9. Approval of Election Consolidation; Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than December 6, 2019, i) one certified copy of this Resolution to the Board of Supervisors of the County of San Benito with a copy to the San Benito Registrar, ii) one certified copy of this Resolution to the Board of Supervisors of the County of Santa Cruz with a copy to the Santa Cruz Registrar, and iii) one certified copy of this Resolution to the Board of Supervisors of the County of Monterey with a copy to the Monterey Registrar, each together with the Tax Rate Statement attached as Exhibit C and executed by the Superintendent of the District.

Section 10. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Registrars within the time limits established for such arguments by the Registrars.

Section 11. Retention of Consultants. The District hereby confirms the hiring of consultants to provide for special services in connection with the proposed issue(s) of Bonds which may be authorized at the Election, to wit, (i) the law firm of Dannis Woliver Kelley as Bond Counsel to the District ("Bond Counsel") and (ii) the financial advisory firm of Dale Scott & Company, as Financial Advisor to the District (the "Financial Advisor"), upon conditions as may be set forth in the respective fee agreements heretofore negotiated and executed on behalf of the District by the Superintendent.

Section 12. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects outlined in the foregoing Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds there from to reimburse the District for the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 13. No Increase in District Debt, Cancellation of Measure Z Bonds. The aggregate original principal amount of all of the Measure Z Bonds which are issued by the District, together with the aggregate original principal amount of the general obligation bonds issued under the Bond Measure which are issued by the District, shall not exceed \$9,700,000, being the original authorized amount of the Measure Z Bonds. To that end, the Board hereby covenants as follows:

(a) prior to the issuance of any series of general obligation bonds under the Bond Measure, the Board shall adopt a resolution petitioning the Board of Supervisors of San Benito County to cause the Unissued Measure Z Bonds to be canceled in a principal amount equal to the principal amount of such series of bonds to be issued under the Bond Measure; and

(b) under any circumstances, including but not limited to a failure or refusal by San Benito County to cancel a portion of the Unissued Measure Z Bonds, the Board shall not authorize the issuance of any Unissued Measure Z Bonds or bonds under the Bond Measure if such issuance would cause the aggregate original principal amount of all of

the Measure Z Bonds which are issued by the District, together with the aggregate original principal amount of the bonds issued under the Bond Measure which are issued by the District, to exceed \$9,700,000.

Section 14. 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 said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 15. Further Authorization. The members of this Board and the Superintendent (each, a "District Representative") 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 revisions to the Project List, modification of the Full Ballot Text, the Ballot Label, and Tax Rate Statement if he or she determines such modifications are necessary and in the District's best interests. This Resolution and all of its Exhibits that are filed with the Registrar by a District Representative shall constitute the final, binding ballot measure of the District and such submitted measure shall be deemed ratified and approved by the Board.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

PASSED AND ADOPTED this 30th day of October, 2019, by the Board of Trustees of Aromas-San Juan Unified School District, at San Juan Bautista, California, by the following vote:

AYES: Members: 5

NOES: Members: 0

ABSENT: Members: 0

ABSTAIN: Members: 0

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

  
President, Board of Trustees



## **EXHIBIT "A"**

### **FULL TEXT BALLOT PROPOSITION OF THE AROMAS-SAN JUAN UNIFIED SCHOOL DISTRICT BOND ELECTION FOR MARCH 3, 2020**

#### **ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the Aromas-San Juan Unified School District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the Aromas-San Juan Unified School 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 Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the Aromas-San Juan Unified School District campus, and to determine which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. Proceeds from the sale of 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, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. 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.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent 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 results of the election appear in the minutes of the Board of Trustees.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in the Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following 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 of the District shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2020, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

## 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 facility 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 completion.

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve schools, classrooms, grounds and facilities throughout the District. Specific projects to be funded by the bond measure include, without limitation, the following:

### **School Renovation, Repair and Upgrade Projects**

- Undertake seismic and earthquake safety upgrades and repair
- Repair/replace existing plumbing systems, including drainage.
- Renovate, repair, expand and/or upgrade the interior, exterior and/or infrastructure of existing classrooms and school facilities.
- Repair and upgrade roofs, ceilings, walls, and floors.
- Replace existing wiring systems to meet current electrical and accessibility codes and increased capacity.
- Renovate and repair restrooms
- Replace existing window systems with energy efficient systems.
- Repair or replace outdated temporary portable classrooms.

### **School Site Health, Safety and Security Projects**

- Upgrade or replace buildings that do not meet current minimum building code standards.
- Remove dry rot and repair damage caused by dry rot.
- Replace/upgrade existing signage, bells, clocks and fire protection systems.
- Install, repair, upgrade, or replace safety and security systems for students and staff.
- Abate and remove hazardous materials identified prior or during construction.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, retirement of any interim funding incurred to advance fund projects from the list; installation of signage and fencing; improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies

(including environmental investigation, remediation and monitoring), design and construction documentation, storage and temporary housing of dislocated District activities caused by construction projects.

The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. 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 and construction documents are finalized, construction bids are received, construction contracts are awarded, and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410. The order in which projects are listed in the foregoing Bond Project List does not suggest an order of priority. Project prioritization is vested in and will be determined by the District Board of Trustees.

**EXHIBIT B**

**BOND MEASURE  
(Abbreviated Form)**

To repair and modernize classrooms and facilities; undertake seismic and earthquake safety upgrades and repairs; and qualify for state matching funds, shall the measure to reauthorize \$4.2 million of Aromas-San Juan Unified School District's bonds, previously approved by voters in 2010, as new bonds with legal rates, projected yearly average levies less than \$0.02 per \$100 of assessed valuation through approximately 2031 (generating an average \$455,000 dollars per year), annual audits and taxpayer oversight, be adopted?	Bonds- YES
	Bonds- NO



## EXHIBIT "C"

### TAX RATE STATEMENT

An election will be held within the boundaries of Aromas-San Juan Unified School District ("District") on March 3, 2020 to authorize the sale of up to \$4.2 million in bonds of the District to finance improvements to educational facilities as described in the measure. If such bonds are approved, authorized and sold, the principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 to 9404, inclusive, of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.0196 per \$100 of assessed valuation (\$19.60 per \$100,000 of assessed valuation). The final fiscal year in which it is anticipated that the tax will be collected is fiscal year 2030-31.
2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement is \$0.0451 per \$100 of assessed valuation (\$45.10 per \$100,000 of assessed valuation) It is estimated that such rate would be levied in fiscal year 2020-21 and following.
3. 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 approximately \$5 million.

Voters should note that the estimated tax rate is based on the assessed value (not market value) of taxable property on the San Benito County, Santa Cruz County and the Monterey County official tax rolls. In accordance with Education Code Section 15100, subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections (if any) of assessed property valuations made by each County Assessor. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and 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 foregoing information is based upon projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from 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 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 District as determined by each County Assessor in the annual assessment and the equalization process. Accordingly, the actual tax rate and the years in which such rates are applicable may vary from those presently estimated as above stated.

Signed:   
Michele Huntoon, Superintendent

Dated: October 30, 2019

RESOLUTION NO. 051-19

**RECEIVED**  
Monterey County Registrar of Voters

**DEC 03 2019**

RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
CABRILLO COMMUNITY COLLEGE DISTRICT ORDERING  
AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF  
THE ELECTION ORDER

WHEREAS, the Board of Trustees (the "Board") of the Cabrillo Community College District (the "District") has determined that certain educational facilities, infrastructure and equipment at Cabrillo College need to be repaired, constructed, renovated, acquired and equipped in a fiscally prudent manner, to enable the District to maintain Cabrillo College as a valuable community resource that provides high-quality affordable, local education, which increases the educational opportunities of all local students, including career and support facilities for veterans who desire to learn in-demand job skills or transfer to four-year universities; and

WHEREAS, while Cabrillo College provides essential job training and workforce preparation for students of all ages, veterans and local residents, because of the changing economy, it needs to upgrade classrooms, labs, public safety training and other facilities and provide students with up-to-date technology and expanded access to training programs that help them learn new skills and find better paying jobs in business, technology, nursing and other high demand careers; and

WHEREAS, since the costs of attending the U.C. and Cal State systems have become so expensive and hard to get into, more students are relying on community colleges, such as Cabrillo College, to provide students with high quality, affordable education and job training options; and

WHEREAS, Cabrillo College students are among the State's highest performers in nursing and other healthcare programs, and the Board desires to update its technology as needed to enhance these programs so that students continue to succeed; and

WHEREAS, Cabrillo College continues to be an important veterans service institution and the Board desires to increase Cabrillo College's ability to serve returning veterans by providing job training and job placement; and

WHEREAS, Cabrillo College classrooms and labs need to be upgraded so students have access to the technology that will help them meet 21<sup>st</sup> century college education standards; and

WHEREAS, the State of California is not providing the District with enough money for the District to adequately maintain Cabrillo College's educational facilities and academic programs; and

WHEREAS, the Board has received information regarding the feasibility of a local bond measure and the District's bonding capacity; and

WHEREAS, a local measure will help provide funds that cannot be taken away by the State to support local college transfer and job training; and

WHEREAS, a local measure will help Cabrillo College qualify for State matching funds; and



WHEREAS, such local measure will include mandatory taxpayer protections, including an independent citizens' oversight of all funds and mandatory annual financial audits to ensure funds are spent only as authorized; and

WHEREAS, the Board and District has solicited stakeholder and community input on priorities from students, faculty, staff, business and civic leaders, and the community; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional funding to improve facilities to better prepare local students and veterans for transfer to four-year colleges and universities, and/or successful jobs and careers, by means of a general obligation bond, issued in a financially prudent manner; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which reduced the voter threshold for *ad valorem* tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a community college 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 annual financial audit requirements standards of financial accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, the Board determines that, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, the restrictions in Proposition 39, which prohibit any bond money from being wasted or used for inappropriate administrator salaries and other operating expenses of the District shall be strictly monitored by the District's Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

WHEREAS, Elections Code Section 9400 *et seq.* 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, March 3, 2020, and to request each of the Santa Cruz County Registrar of Voters, the Monterey County Registrar of Voters and the San Benito County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request each of the Santa Cruz County Registrar of Voters, the Monterey County Registrar of Voters and the San Benito County Registrar of Voters to call an election pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and sold on behalf of the District for purposes set forth below.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE CABRILLO COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, Sections 15264 *et seq.* and Government Code Section 53506, hereby requests each of the Santa Cruz County Registrar of Voters, Monterey County Registrar of Voters and San Benito County Registrar of Voters to call 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 of \$274,100,000 (the "Bonds") shall be issued and sold to raise money for the purposes described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter sample ballot pamphlet. The District's Superintendent/President, or designee of the Superintendent/President is hereby authorized and directed to make any changes to the text of the measure, or the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of election officials, or the requirements of law.

Section 2. That the date of the election shall be March 3, 2020.

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) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including faculty and administrator salaries and other operating expenses;

(b) that the Board, in compliance with Proposition 39, and in establishing the projects set forth in Exhibit "B", evaluated university transfer, job training, student safety, class size reduction, class availability, and the information technology needs of the District;

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

(e) that the Board will cause the appointment of a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens' Oversight Committee shall initially consist of at least seven (7) members and at no time consist of less than



seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies. The Citizens' Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens' Oversight Committee shall include, among others, the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens' organization; One (1) member who is active in a bona fide taxpayer association. In furtherance of its specifically enumerated purposes, the Citizens' Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

- (i) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);
- (ii) Inspect District facilities and grounds to ensure that Proposition 39 bond revenues are expended in compliance with applicable law;
- (iii) Receive and review copies of all scheduled maintenance proposals or plans developed by the District;
- (iv) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs; and

(f) that the tax levy authorized to secure the bonds of this election shall not exceed the Proposition 39 limits per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15340 *et seq.* and 15264 *et seq.* and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Education Code Section 5322. In connection with ordering the election pursuant to the provisions cited above, the District has obtained reasonable and informed projections of assessed property valuations that take in consideration projections of assessed property valuations made by the County assessor that are available to the District.

Section 6. That each of the Santa Cruz County Registrar of Voters, the Santa Cruz County Board of Supervisors, the Monterey County Registrar of Voters, the Monterey County Board of Supervisors, the San Benito County Registrar of Voters and the San Benito County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on March 3, 2020 within the District.

Section 7. That this Resolution shall stand as the "order of election" to each of the Santa Cruz County Registrar of Voters, the Monterey County Registrar of Voters and the San Benito County Registrar of Voters to call an election within the boundaries of the District on March 3, 2020.

Section 8. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Santa Cruz County Registrar of Voters, the Monterey County Registrar of Voters and the San Benito County Registrar of Voters no later than December 6, 2019.

Section 9. That the Bonds may be issued pursuant to Education Code Section 15300 *et seq.* and pursuant to Government Code Section 53506. 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. The Board approves the filing with each of the Santa Cruz County Registrar of Voters, the Monterey County Registrar of Voters and the San Benito County Registrar of Voters of a Tax Rate Statement and primary and rebuttal arguments, as appropriate, and directs their publication in accordance with the requirements of the Elections Code.

Section 10. 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 anybody or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation. Pursuant to Elections Code Section 10403 the Board acknowledges that the consolidation election will be held and conducted in the manner prescribed in Elections Code Section 10408.

Section 11. Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Boards of Supervisors of Santa Cruz County, Monterey County and San Benito County are requested to permit their respective Registrars 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 each of Santa Cruz County, Monterey County and San Benito County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.

ADOPTED, SIGNED AND APPROVED this 2nd day of December, 2019.

BOARD OF TRUSTEES OF THE CABRILLO  
COMMUNITY COLLEGE DISTRICT

By   
Board Chair

Attest:

  
Secretary

STATE OF CALIFORNIA       )  
  )ss  
SANTA CRUZ COUNTY       )

I, Dr. Matthew Wetstein, do hereby certify that the foregoing is a true and correct copy of Resolution No.051-19, which was duly adopted by the Board of Trustees of the Cabrillo Community College District at meeting thereof held on the 2nd day of December, 2019, and that it was so adopted by the following vote:

AYES: 7

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

By Matthew Wetstein  
Secretary

## EXHIBIT A

“CABRILLO COLLEGE TECHNOLOGY, JOB TRAINING, CLASSROOM REPAIR MEASURE. To repair/upgrade classrooms to better prepare students, veterans, workers for good jobs/university transfer by modernizing aging classrooms, technology/science labs; upgrading outdated wiring/sewer lines; acquiring, constructing, repairing sites/facilities/equipment, shall Cabrillo Community College District’s measure authorizing \$274,100,000 in bonds at legal rates, levying \$19/\$100,000 assessed valuation (\$17,000,000 annually) while bonds are outstanding be approved, with audits, no funding for administrators, and all funds used locally?”

Bonds – Yes

Bonds – No



## EXHIBIT B

### FULL TEXT BALLOT PROPOSITION

#### CABRILLO COMMUNITY COLLEGE DISTRICT BOND MEASURE ELECTION MARCH 3, 2020

“CABRILLO COLLEGE TECHNOLOGY, JOB TRAINING, CLASSROOM REPAIR MEASURE. To repair/upgrade classrooms to better prepare students, veterans, workers for good jobs/university transfer by modernizing aging classrooms, technology/science labs; upgrading outdated wiring/sewer lines; acquiring, constructing, repairing sites/facilities/equipment, shall Cabrillo Community College District’s measure authorizing \$274,100,000 in bonds at legal rates, levying \$19/\$100,000 assessed valuation (\$17,000,000 annually) while bonds are outstanding be approved, with audits, no funding for administrators, and all funds used locally?”

Bonds – Yes

Bonds – No

#### PROJECTS

The Board of Trustees of the Cabrillo Community College District, to be responsive to the needs of its community, evaluated Cabrillo College’s urgent and critical facility needs, and its capacity to provide local students and veterans with support and job training facilities, an **affordable education** and prepare them for success in college and careers. 21<sup>st</sup> Century job training, safety, enrollment, class size and class offerings, and information and **computer technology** infrastructure were each considered, in developing the scope of projects to be funded. In developing the scope of projects, the faculty, staff, students and community have **prioritized local job training**, particularly in business, technology, nursing and other high demand careers, as well as facilities available to support an **affordable education**, so that the most critical needs that will make Cabrillo College an effective place for learning and **college transfer**, would be addressed. Based on Board, faculty, student and community input, it was concluded that if these facility needs were not addressed now, the Cabrillo College would be unable to remain competitive in preparing students for jobs in high demand industries and university transfer. **In approving the Projects, the Board of Trustees determines that Cabrillo College MUST:**

- (i) **Invest in providing local students with high-quality, affordable education and job training; and**
- (ii) **Provide upgraded classrooms and technology to prepare students and workers for JOBS and CAREERS; and**
- (iii) **Prepare students to transfer to four year colleges and universities; and**
- (iv) **Update science, technology, engineering, and math labs; and**

- (iv) Ensure that every penny from this measure benefits Cabrillo College, and that no funds can be taken by the State.

The types of projects which are authorized to be funded at Cabrillo College campuses include:

**PROVIDE JOB TRAINING AND COLLEGE TRANSFER:**

**Academic Facility and Technology Upgrade Projects  
To Help Students Transfer to Four-Year  
Universities or be Trained For 21<sup>st</sup> Century Jobs and Careers**

**Goals and Purposes:** Students can earn their degrees at a lower cost by taking core classes at Cabrillo College and then transfer to a four-year university. This measure will ensure Cabrillo College can continue to provide a high-quality education in foundational subjects.

Cabrillo College students are among the State's highest performers in nursing and other healthcare training programs. This measure will provide up-to-date technology needed to enhance these programs so that students continue to succeed.

This measure will allow Cabrillo College to update career training facilities in business, science, technology, engineering, math and healthcare and ensure that our students are ready for 21<sup>st</sup>-century jobs.

- Upgrade facilities which prepare students to transfer to four-year colleges and universities.
- Upgrade career and vocational classrooms to better prepare students and workers for good-paying jobs and careers.
- Improve educational resources for returning veterans.
- Update science, technology, engineering, and math labs.
- Upgrade classroom technology for 21<sup>st</sup>-century learning.
- Provide facilities for student support services, such as tutoring and career counseling.



**PROVIDE AN AFFORDABLE EDUCATION  
FOR LOCAL RESIDENTS:**

**Basic Repair Projects Needed To Make  
Cabrillo College a Safe Place for Learning**

**Goals and Purposes:** Because the U.C. and Cal State systems have become so expensive and are hard to get into, many students rely on community colleges, like Cabrillo. This measure will allow us to invest in Cabrillo College so it can provide students with high-quality, affordable education, and job training.

Many of Cabrillo's classrooms and buildings have not been updated in over 50 years. This measure will address urgent and basic repairs to make our local college clean and safe for learning.

- Replace outdated electrical wiring and sewer lines.
- **Improve access to college classrooms for people with disabilities.**
- Improve energy and water efficiency throughout the entire campus.
- Upgrade college safety and security, including fire alarms and cameras.

In addition to the listed types of projects stated above, the types of authorized projects of the measure also include the acquisition of a variety of instructional, maintenance and operational equipment, including interim funding incurred to advance fund projects and the refinancing of outstanding lease obligations, payment of the costs of preparation of all facility planning, fiscal reporting, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated college activities caused by construction projects. In addition to the projects listed above, repair, renovation and construction projects may include, but not be limited to, some or all of the following: renovate student and staff restrooms; replace aging electrical and plumbing systems; repair and replace heating, ventilation and air conditioning systems; acquire vehicles; upgrade of facilities for energy efficiencies including the installation of solar panels or arrays; repair and replace worn-out and leaky roofs, windows, walls doors and drinking fountains; replace or remove outdated buildings and classrooms and construct new classrooms and support buildings; provide training facilities in Aptos and Watsonville for public safety jobs; upgrade wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade facilities to meet current environmental sustainability, State compliance standards and earthquake safety; repair and replace fire alarms, emergency communications and security systems; upgrade, resurface, replacing or relocate hard courts, fields, turf and irrigation systems; replace turf on athletic fields; upgrade classrooms; build new or renovate existing facilities such as a science building, career and technical education building, child development center, student union and support services buildings, bookstore, parking structures; build new sports fields, gymnasiums and other athletic facilities; upgrade, resurface and recondition existing parking lots, roads and sidewalks; improve vehicular access and circulation; improve drop-off zones; repair, upgrade and install interior and exterior lighting systems; replace water lines and

herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code Section 53410.

\* \* \*

### **FISCAL ACCOUNTABILITY**

**This bond measure has strict accountability requirements including:**

1. All money will benefit Cabrillo College campuses and CANNOT BE TAKEN BY THE STATE.

2. NO MONEY can be used for ADMINISTRATOR SALARIES or pensions.

3. Require CITIZENS' OVERSIGHT and yearly reports to the community to keep the College accountable for how the funds are spent.

4. NO ADMINISTRATOR SALARIES. Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher, faculty and college administrator salaries, pensions and other operating expenses.

5. FISCAL ACCOUNTABILITY. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE



valves and sewer lines; construct, upgrade, acquire or expand, multi-use classrooms and labs, expand and improve outdoor learning spaces, swing space, student resources center, student library, outdoor classrooms/performance space, interdisciplinary community center, fine/theater and visual arts, music and performing arts facilities, field lights, bleachers, press box, track replacement, collaborative office suites and administrative offices, purchasing and maintenance facility, and public safety facilities; improve water conservation and energy efficiency; acquire land; replace existing window systems with energy-efficient systems to reduce costs; improve insulation, weatherproofing and roofs to reduce costs; improve access for the disabled; install and repair fire safety equipment, including alarms, smoke detectors, sprinklers, emergency lighting, and fire safety doors; replace broken concrete walks, deteriorated asphalt; replace/upgrade existing signage to reflect better wayfinding, install electronic signage, bells and clocks; demolition of unsafe facilities; install or upgrade new security systems, such as security (surveillance) cameras, burglar alarms, handrails, outdoor lighting, safety bollards, fencing, landscaping, gates, gateways and classroom key cards/door locks; replace sewer lines and improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths and pathways and bridges for improved safety and access for emergency vehicles, site parking, utilities and grounds. The upgrading of technology infrastructure includes, but is not limited to, upgrading classroom technology, expanding wireless internet access throughout all Cabrillo College campuses, acquire portable interface devices, servers, switches, routers, modules, sound projection systems, information systems, printers, digital white boards, upgrade voice-over-IP, communication systems, audio/visual and telecommunications systems, call manager and network security/firewall, Internet connectivity, wireless systems, technology infrastructure, and other miscellaneous software and IT and instructional equipment, DATA storage, fiber/copper infrastructure, phones, identity access cards and the construction and installation of a data center in the cloud for District's enterprise systems, such as resource planning, websites, domain name systems, cloud applications and information security.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses, a customary contingency, and costs associated with the Total Cost of Ownership of facilities and equipment. The allocation of bond proceeds may be affected by the final costs of each project. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. 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 or decisions will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final budgets of projects or on the then current priorities of the District, certain of the projects described above may be delayed or may not be undertaken. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach. In addition to the listed types of projects stated above, the types of authorized projects of the measure also include the acquisition of a variety of instructional, maintenance and operational would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary on-site and off-site improvements, site preparation and restoration, including the acquisition and installation of temporary facilities (swing space) may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, widening streets, installation of traffic signals, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the types of projects and purposes identified



## Tax Rate Statement

An election will be held in the Cabrillo Community College District (the "District") on March 3, 2020 to authorize the sale of \$274,100,000 in general obligation bonds. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of tax levies made on the taxable property in the District. These estimates are based on projections derived from information obtained from official sources and other demonstrable factors. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale, and actual increases in assessed valuations. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

- i. The best estimate of the average annual tax rate that would be required to fund this bond issue over the entire duration of bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is \$0.01885 per \$100 (\$18.85 per \$100,000) of assessed valuation.
- ii. The best estimate of the final fiscal year in which the tax required to fund this bond issue is anticipated to be collected is fiscal year 2052-53.
- iii. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$0.01885 per \$100 (\$18.85 per \$100,000) of assessed valuation, which is projected to be the same in every fiscal year the bonds remain outstanding.
- iv. 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 will be approximately \$569 million.

Based upon the forgoing and projections of the District's assessed valuation, the timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District and other factors. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the assessment and the equalization process.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property in the District as shown on the County's 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.

Dated: December 3, 2019



Dr. Bradley D. Olin  
Assistant Superintendent/Vice President  
Cabrillo Community College District