

Quint & Thimmig LLP
(Series A—Re-open Moss Landing Middle School)

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REGISTRAR OF VOTERS
MONTEREY COUNTY

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NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 2017-1802

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE NORTH
MONTEREY COUNTY UNIFIED SCHOOL DISTRICT ORDERING A
SCHOOL BOND ELECTION, AND AUTHORIZING NECESSARY
ACTIONS IN CONNECTION THEREWITH**

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

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

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

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

WHEREAS, such a bond election must be conducted concurrent with a statewide general election, general election or special election, or at a regularly scheduled local election, as required by section 15266 of the California Education Code;

WHEREAS, on November 7, 2017, a special election is scheduled to occur throughout the District;

WHEREAS, pursuant to section 15270 California Education Code, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed \$60 per year per \$100,000 of assessed valuation of taxable property;

WHEREAS, section 9400 *et seq.* of the California Elections Code requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; 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

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Trustees of the North Monterey County Unified School District as follows:

Section 1. Specifications of Election Order. Pursuant to sections 5304, 5322, 15100 *et seq.*, and section 15266 of the California Education Code, an election shall be held within the boundaries of the District on November 7, 2017, for the purpose of submitting to the registered voters of the District the following proposition:

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$36 million in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below. Bonds will be issued in one or more series.

ACCOUNTABILITY SAFEGUARDS

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

Evaluation of Needs. The Board of Trustees has prepared its capital improvement program in order to evaluate and address all of the facilities needs of the District, 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 Bond Project List contained in Exhibit A.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (section 15278 *et seq.* of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. 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 cause to conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits. The Board of Trustees shall cause to 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 Exhibit A.

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 to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board no later than January 1 of each year, commencing January 1, 2018, 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.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A shall be considered a part of the ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

The Bond Project List, which is an integral part of this proposition, lists the specific projects the District proposes to finance with proceeds of the Bonds. Such projects will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board of Trustees cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, 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 not related to the Bond project.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to section 53410 of the California Government Code.

Other Terms of the Bonds. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum, and that interest will be made payable at the time or times permitted by law. The bonds may be issued and sold in several series, and no bond shall be made to mature later than shall be permitted by law.

Section 2. Ballot Proposition. Pursuant to section 13247 of the California Elections Code and section 15122 of the California Education Code, the Board hereby directs the Registrar of Voters to use the following abbreviation of the bond proposition on the ballot:

“To reopen and rebuild Moss Landing Middle School, constructing new campus classrooms, buildings and library, replacing infrastructure, providing technology for 21st century learning, hereby allowing the current middle school to reconvert to an elementary school relieving severe overcrowding at elementary schools, shall North Monterey County Unified School District be authorized to issue \$36,000,000 in bonds at interest rates within the legal limit with no funds for administrator salaries and an appointed Independent Oversight Committee to monitor all bond expenditures?”

Section 3. Voter Pamphlet. The Registrar of Voters of the County is hereby requested to reprint Section 1 hereof (including Exhibit A hereto) in its entirety in the voter information

pamphlets to be distributed to voters pursuant to section 13307 of the California Elections Code. In the event Section 1 is not reprinted in the voter information pamphlets in its entirety, the Registrar of Voters of the County is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

“The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the Monterey County Registrar of Voters at (831) 796-1499 and a copy will be mailed at no cost to you.”

Section 4. Required Vote. Pursuant to section 18 of Article XVI and section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon the affirmative vote of at least 55% of those voters voting on the proposition.

Section 5. Matching Funds. Pursuant to section 15122.5 of the California Education Code, the District hereby requests that the Registrar of Voters of the County include the following statement in the ballot pamphlet:

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

Section 6. Request to County Officers to Conduct Election; Payment of Election Costs.

(a) The Registrar of Voters of the County is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

(b) The District hereby agrees to reimburse the County for actual costs incurred by it for the District's election, as set forth in the current election cost allocation procedures of the County.

Section 7. Consolidation Requirement; Canvass.

(a) Pursuant to section 15266(a) of the California Education Code, the election shall be consolidated with the special election on November 7, 2017.

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

Section 8. Delivery of Order of Election to County Officers. The Clerk of the Board of Trustees of the District is hereby directed to deliver, no later than August 11, 2017, one copy of this Resolution to the County Superintendent of Schools and the Registrar of Voters of the County together with the Tax Rate Statement (attached hereto as Exhibit B), completed and signed by the Superintendent, and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County.

Section 9. Ballot Arguments. The members of the Board are hereby authorized, but not directed, to prepare and file with the Registrar of Voters of the County a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the Registrar of Voters of the County.

Section 10. Further Authorization. The members of this Board, the Superintendent, and all other officers of the District are hereby authorized, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this resolution.

Section 11. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this 3rd day of August, 2017, by the following vote:

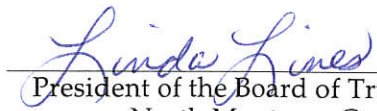
AYES: 5

NAYS: 0

ABSTAIN: 0


ABSENT: 0

APPROVED:



President of the Board of Trustees of the
North Monterey County
Unified School District

Attest:



Clerk of the Board of Trustees of the
North Monterey County
Unified School District

CLERK'S CERTIFICATE

I, , Clerk of the Board of Trustees of the North Monterey County Unified School District, of Monterey County, California, hereby certify as follows:

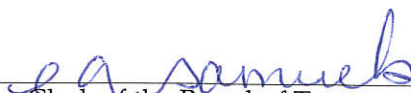
The attached is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Trustees of the District duly and regularly held at the regular meeting place thereof on August 3, 2017, and entered in the minutes thereof, of which meeting all of the members of the Board of Trustees had due notice and at which a quorum thereof was present. The resolution was adopted by the following vote:

AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 0

At least 24 hours before the time of said meeting, a written notice and agenda of the meeting was mailed and received by or personally delivered to each member of the Board of Trustees not having waived notice thereof, and to each local newspaper of general circulation, radio, and television station requesting such notice in writing, and was posted in a location freely accessible to members of the public, and a brief description of the resolution appeared on said agenda.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 3rd day of August, 2017.



Clerk of the Board of Trustees
North Monterey County
Unified School District

EXHIBIT A

NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT

BOND PROJECT LIST

The North Monterey County Unified School District will use bond funds to reopen Moss Landing Middle School by building a campus with new buildings, classrooms and new infrastructure at Moss Landing Middle School site, 1815 Salinas Road, Watsonville, CA. The cost of the project includes items such as classrooms, library, multi-purpose room, school administrative offices and other school facilities, infrastructure and utilities, ADA and State/County/Coastal regulations, and necessary furniture and equipment to serve students.

By reopening the Moss Landing Middle School, the District can reconvert the current North Monterey County Middle School back to an elementary school to accommodate enrollment and relieve severe overcrowding at other elementary schools. The current middle school was originally built as an elementary school and has never had the facilities for a proper middle school. By reconverting the current middle school site back to an elementary school campus, the District can accommodate all elementary school students who live in Castroville and avoid busing students to other elementary school sites, thus reducing the overcrowding at the current elementary schools.

Building new buildings and classrooms at the Moss Landing Middle School site will also allow the District to serve all middle school students in age appropriate and modern classrooms. The current middle school is overcrowded, lacks sufficient athletic fields and facilities, and has inadequate technology, science labs and library space.

The essential facilities for the reopened middle school include new classroom buildings, an administration building, a library media center, a multi-purpose room, a serving kitchen, utilities, landscaping, irrigation, pick-up/drop off and parking. A gym, locker rooms, and athletic fields are not expected to be financed from this bond proceeds unless funds are available. Otherwise, the gym, locker rooms, and athletic fields will be constructed using fund from the second bond on the ballot.

Reopening the Moss Landing Middle School site will allow the District to utilize District assets to solve numerous problems. The District will finally have a comprehensive middle school facility that will better serve our community. Another elementary school in Castroville will serve the over 500 students who are currently bused to elementary schools outside of Castroville because there is no space available at their neighborhood school. The other elementary schools would then be reduced in enrollment to an average of 550 students instead of over 700 students.

If, the reopening of Moss Landing Middle School is not approved, the schools in the North Monterey County Unified School District will continue to be severely overcrowded. Every possible classroom, including the old portables that have outlived their usefulness will continue to be used to house students. Special programs such as preschool, music and interventions may be in jeopardy of continuing due to lack of available classroom space. Many students from Castroville will continue to be bused to schools away from Castroville. Middle School students will continue to attend a school designed as an elementary school and will not have access to an athletic field or modern, 21st century classrooms, science labs and technology. Each school campus is currently at or over capacity and adding classrooms at each site is problematic.

The North Monterey County Unified School District serves more than 4,600 students in grades K-12. The district operates eight schools at seven campuses, Castroville Elementary, Echo Valley Elementary, Elkhorn Elementary, Prunedale Elementary, North Monterey County Middle, Central Bay High and North Monterey County High School. The district also operates preschools at each elementary school as well as the Castro Plaza Family Resource Center, and its North Monterey County Center for Independent Studies (K-12 school) and the adult education school.

The schools in the district are old, with the average age of 61 years. The District has used bond funds approved by voters in 2002 and 2013 and maximized local bond investments with matching state funds, grants, developer fees, and federal stimulus funds. North Monterey County High School has recently opened a new library/media center, renovated the gymnasium and the new athletic track and

field facility will open soon. Schools have upgraded access to technology and repaired and replaced heating, plumbing and ventilation systems. Bond funds have also been used to replace fire alarms and other improvements for student safety.

But there is much more that must be completed. The District has experienced a rapid increase in enrollment over the past few years. We will need at least 30 new additional classrooms over the next several years to accommodate students in our District schools. The District has over 50 aging portable classrooms that have exceeded their 20-year lifespan that must be replaced with new permanent buildings, with upgraded infrastructure for technology to improve 21st century learning. The high school's campus needs to replace temporary portable classrooms with a new Science, Technology, Engineering, Math (STEM) building to provide science labs. Our schools continue to improve but our facilities are impacted and our resources limited.

* * *

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 management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the Project List, 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 bond projects. 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, and other miscellaneous equipment and software.

The budget for each project, as defined in the Capital Investment Program is an estimation and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain 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 enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, 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, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

The allocation of bond proceeds may 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 pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above.

The timeline and order of completion of the identified projects within this Bond Project list are at the discretion of the District. In addition, the issuance of bonds pursuant to this measure depends in part on the assessed valuation of properties in the District and as a result issuance may require approval from the State Department of Education for a waiver of bonding capacity.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF TRUSTEES WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE

CITIZENS' OVERSIGHT COMMITTEE 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.

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 AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES NOT RELATING TO THE BOND PROJECTS.

EXHIBIT B

TAX RATE STATEMENT

An election will be held in the North Monterey County Unified School District (the "District") on November 7, 2017, to authorize the sale of up to \$36 million in bonds of the District for the specific school facilities projects listed in the Bond Project List established by the District, as described in the proposition. If the bonds are authorized, the District expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code.

(1) The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the first sale of the bonds based on estimated assessed valuations available at the time of filing of this statement, is \$0.059 per \$100 of assessed valuation (\$59 per \$100,000 of assessed valuation) in fiscal year 2018-19.

(2) The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the last sale of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.059 per \$100 of assessed valuation (\$59 per \$100,000 of assessed valuation) in fiscal year 2018-19.

(3) The best estimate of the highest tax rate that would be required to be levied to fund the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.059 per \$100 of assessed valuation (\$59 per \$100,000 of assessed valuation) in fiscal year 2018-19.

(4) The best estimate of the average tax rate which would be required to be levied to fund the bonds during the life of the bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.059 per \$100 of assessed valuation (\$59 per \$100,000 of assessed valuation).

(5) 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 \$72,457,500 (\$36,000,000 of principal and \$36,457,500 of interest). This estimate is based on assumptions regarding future interest rates and the term, timing, structure and amount of each series of bonds.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Monterey 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.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's 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 Monterey County Assessor in the annual assessment and the equalization process.

Dated: August 3, 2017.



Superintendent
North Monterey County Unified School District