



Local ballot measure: M-Aromas-San Juan School bond

M

Aromas-San Juan Unified School District bond

Ballot question

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 while the bonds are outstanding through approximately 2031 (generating an average \$455,000 dollars per year), annual audits and taxpayer oversight, be adopted?

Pregunta de Boleta

Para reparar y modernizar aulas e instalaciones, realizar mejoras y reparaciones de seguridad sísmica y contra terremotos, y para calificar para fondos estatales equivalentes, ¿deberá la medida para reautorizar \$4.2 millones de bonos del Distrito Escolar Unificado de Aromas-San Juan, previamente aprobados por los votantes en 2010, como nuevos bonos con tasas legales, con gravámenes promedio anuales proyectados de menos de \$0.02 por cada \$100 de valoración tasada hasta aproximadamente 2031 (generando un promedio de \$455,000 dólares por año), adoptar auditorías anuales y supervisión de los contribuyentes?

What your vote means

YES	NO
A "Yes" vote is a vote to re-authorize the issuance of bonds in the amount of \$4.2 million to be financed by the levy of an <i>ad valorem</i> tax on property in the District.	A "No" vote a vote against the re-issuance of the proposed bonds.

For and against Measure M

FOR	AGAINST
<p>Leslie Austin Community Member</p> <p>Jose Luis Flores Community Member</p> <p>Michaela LaForge Community Member</p> <p>Wayne Norton Community Member</p> <p>Kollin Kosmicki Business Owner</p>	No argument against Measure M was filed.



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

Argument for Measure M

Vote YES on Measure M!

In 2010, Aromas-San Juan Unified School District voters overwhelmingly passed a general obligation bond to improve and protect our communities' most important assets – our local elementary, middle and high schools. Because of your support, improvements have been made in repairing, rehabilitating, and upgrading schools throughout the district, including Aromas School, San Juan School, Mi Escuelita Pre-K and Anzar High School.

Measure M will allow us to **continue the job of improving our local schools** by reauthorizing \$4.2 million of previously approved bonds. This will be done **without increasing** the District's total authorized debt, while at the same time saving taxpayers millions of dollars and guaranteeing significant taxpayer protections.

School Repair and Student Safety: Measure M will allow us to **continue improving our schools** by:

- Making classroom and school seismic and earthquake safety repairs
- Repairing and replacing leaking pipes and roofs
- Improving student safety and campus security by replacing or upgrading fire protection and security alarms
- Replacing outdated electrical wiring throughout the district
- Renovating and repairing classrooms and facilities throughout the district

Taxpayer Protections: Measure M will **protect taxpayers** by:

- Using short-term financings to save millions of dollars of reduced interest costs
- Requiring annual audits and independent taxpayer oversight of the funds
- Prohibiting funds from going to administrators' salaries, pensions or benefits
- Imposing tough legal safeguards requiring all monies to be spent on our local schools and not taken by the state and used elsewhere

Vote YES on Measure M:

To improve our local schools, upgrade student and classroom safety, and enhance property values and home prices, please join parents, teachers, grandparents, guardians, neighbors, business owners and community leaders in voting YES on Measure M!

Leslie Austin
Community Member

Jose Luis Flores
Community Member

Michaela LaForge
Community Member

Wayne Norton
Community Member

Kollin Kosmicki
Business Owner

No argument against Measure M was filed.



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Impartial Analysis of Measure M

Jason Heath, County Counsel

By: Ruby Márquez, Assistant County Counsel

Under the California Constitution, school districts may issue bonds if approved by at least 55 percent of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. They are repaid by the levy of an *ad valorem* tax, which is calculated based on the current assessed value of each property.

The Board of Trustees of the Aromas-San Juan Unified School District ("the School District") proposes the re-authorization of bonds in the amount not to exceed \$4.2 million dollars. The School District anticipates that these bonds would generate approximately \$455,000 annually.

The boundaries of the School District extend across three county lines: San Benito, Santa Cruz, and Monterey Counties.

Previously, in the November 2010 election, voters of this School District approved Measure "Z" which authorized the sale of \$9.7 million in bonds. However, the School District has not issued \$4.2 million of these bonds. Under this proposed measure, the School District would cancel a portion of these unused Measure Z bonds and re-issue new bonds in an equal principal amount to the cancelled bonds. The total amount of these actions shall not exceed the \$9.7 million in bonds originally authorized by voters in 2010.

As limited by law, the funds from the sale of these bonds shall only be used for specific purposes related to school facilities, buildings, and classrooms. The law does not allow these funds to be used for teacher and administrator salaries or other school operational expenses.

The School District has submitted a specific Project List within the full body of the measure. The types of projects funded may include, but are not limited to:

- School Renovation, Repair and Upgrade Projects
- School Site, Health and Safety Projects

As required by law, the School District must follow certain accountability provisions to oversee the funds collected and expended, including the establishment of an independent Citizens' Oversight Committee and the annual completion of Performance and Financial Audits.

At the time of filing, the School District has provided the best estimate of the highest tax rate to be levied at approximately \$45.10 per \$100,000 of assessed property value per year, if the measure passes by a 55% of voters collectively across the three counties. It is anticipated that the average annual tax would be collected through fiscal year 2030-31.

Measure M was placed on the ballot by the Aromas – San Juan Unified School District.

A "yes" vote on Measure M is a vote to re-authorize the issuance of bonds in the amount of \$4.2 million to be financed by the levy of an *ad valorem* tax on property in the District.

A "no" vote on Measure M is a vote against the re-issuance of the proposed bonds.

Tax Rate Statement Measure M

Michele Huntoon, Superintendent

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 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.



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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.

Full text of Measure M

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.



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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.