

MEASURE R

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE R

California law permits school districts to issue bonds with the approval of 55 percent of the voters. These bonds are paid by imposing taxes on property within a district. Such bonds may only be used for 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.

The Board of Trustees (Board) of the Loma Prieta Joint Union School District (District) proposes issuing bonds in the amount of \$10,600,000. As identified in the Measure, bond funds could be used for purposes including, but not limited to:

- Repairing the fire damaged community center, classrooms and school facilities;
- Updating water systems for drinking water and fire suppression needs;
- Repairing and replacing outdated fire alarm systems, security alarms and exterior lighting to improve student security and safety;
- Upgrading outdated heating, ventilation, lighting and electrical systems;
- Upgrading classrooms and educational facilities to meet current health and safety codes;
- Removing buildings with asbestos and repairing buildings on school property on the north side of Summit Road;
- Modernizing aging classroom technology and infrastructure; and
- Improving play equipment, play surfaces, fields, sidewalks and parking areas for safety and traffic flow.

The Board has certified that it has evaluated student safety and security, class size reduction, and educational and information technology needs in developing its project list. A complete list of projects and allowed expenditures is included in the full text of the Measure.

Under the California Constitution, these bond funds cannot be used for teacher and administrator salaries or other school operating expenses. The District also must conduct independent annual performance and financial audits. State law requires the District to have an independent citizens' oversight committee to help make sure bond funds are spent only for projects included in the Measure.

The District's stated best estimate of the highest tax rate to be imposed to fund the proposed bonds is \$30 per \$100,000 of assessed value based on estimated assessed valuations available at the time of the filing of the tax rate statement of the Measure.

Measure R was placed on the ballot by the Board.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE R-Continued

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$10,600,000 to be secured by the levy of *ad valorem* taxes on property located within the District.

A "no" vote is a vote to not authorize the issuance of the bonds.

James R. Williams
County Counsel

By: /s/ Danielle L. Goldstein
Deputy County Counsel

COMPLETE TEXT OF MEASURE R

"To repair Loma Prieta School District's fire-damaged classrooms and community center, update fire alarms, water systems, electrical/heating/plumbing systems, meet health/safety codes, modernize aging classroom technology, acquire, repair, construct, equipment/sites with funding that cannot be taken by the State shall this Loma Prieta Joint Union School District measure be adopted to issue \$10,600,000 in bonds at legal rates, levy on average 3 cents/\$100 assessed value (\$670,000 annually) while bonds are outstanding, with annual audits and citizens oversight?"

PROJECT LIST

The Board of Trustees ("Board") of the Loma Prieta Joint Union School District is committed to the academic success of every student, and ensuring that the school facilities and grounds are safe, secure, modern and equipped to provide the best educational environment possible. To that end, the Board received input from teachers, staff and the community and evaluated the District's urgent and critical facility needs, including the need to repair fire damaged facilities as well as student safety, class size reduction, and computer and information technology, in developing the scope of projects to be funded. **Therefore, in approving this Project List, the Board of Trustees determines that the District must:**

- (i) **Repair and replace fire damaged facilities; and**
- (ii) **Ensure schools and grounds are safe, clean and well-maintained; and**
- (iii) **Upgrade deteriorating plumbing, heating, air conditioning and electrical systems; and**
- (iv) **Update fire alarm systems: and**
- (v) **Adhere to specific fiscal accountability safeguards such as:**
 - (a) **PROHIBIT THE STATE FROM TAKING ANY OF THE FUNDS RAISED, AND**
 - (b) **Require that expenditures must be subject to annual independent financial audits, and**
 - (c) **Require independent taxpayer oversight of bond funds.**

The Project List includes the following types of upgrades and improvements at the District schools and facilities:

BASIC RENOVATION, REPAIR AND UPGRADE PROJECTS

- Repair the fire damaged community center, classrooms and school facilities.
- Update water systems for drinking water and fire suppression needs.
- Repair and replace outdated fire alarm systems, security alarms and exterior lighting to improve student security and safety.

COMPLETE TEXT OF MEASURE R-Continued

- Upgrade outdated heating, ventilation, lighting and electrical systems.
- Upgrade classrooms and educational facilities to meet current health and safety codes.
- Remove buildings with asbestos and repair buildings on school property on the north side of Summit Road.
- Modernize aging classroom technology and infrastructure.
- Improve play equipment, play surfaces, fields, sidewalks and parking areas for safety and traffic flow.

* * *

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 payment of the costs of preparation of all facility planning, facility assessment reviews and master plans, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by bond projects, as well as the refinancing of outstanding lease obligations. The upgrading of technology infrastructure includes, but is not limited to, fiber modifications, servers, switches, routers, modules, computers, district-wide computer labs upgrades, sound and visual projection systems, wiring classrooms for internet connectivity, wireless networks, wireless access points and controllers, portable interface devices, mobile device management systems, printers, upgraded voice systems, call manager and network security/firewall, and other miscellaneous equipment. The repair and improvement of District facilities include the following types of projects: demolish old portables; install, acquire or repair energy efficiency improvements for school buildings, energy efficient lighting, air conditioning, heating, insulation and ceiling systems, and windows; modernize aging classroom technology and infrastructure; repair original kindergarten and auxiliary space/relocation of sub-station to North Campus; construct, upgrade, repair or install school site parking, campus accessibility, utilities, plumbing, gas lines, playground equipment, hard court surfaces, general site paving, roofs, interior and exterior lighting, water heaters, boilers, fences, sidewalks, walkway covers and casework, bell/clock systems, signage, asphalt, fire sensors, telephones, outdated heating and security systems, multipurpose rooms, playgrounds, play fields, including turf and/or artificial turf; renovate, upgrade, relocate or convert classrooms, science labs, STEAM classrooms; upgrade and reconfigure sidewalks, parking lots and drop off/pick up zones to improve student safety; make facility improvements for earthquake safety; improve emergency generator power and install solar power; complete CT Middle School multipurpose room buildout; upgrade electrical wiring and systems; renovate and paint interior and exterior building surfaces to extend their useful life; improve security, install safety, security and communication systems and equipment, windows and floor coverings (including tiles and carpeting); build or upgrade irrigation systems. 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

COMPLETE TEXT OF MEASURE R-Continued

public or non-profit agencies. 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.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE 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. Bond funds shall not be temporarily transferred to the District's general fund for administrative purposes.

TAX RATE STATEMENT

\$10,600,000

LOMA PRIETA JOINT UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS

An election will be held in the Loma Prieta Joint Union School District (the "District") on June 5, 2018, to authorize the sale of up to \$10,600,000 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 \$0.03 per \$100 of assessed valuation (or \$30 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 2051-52.
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 \$0.03 per \$100 of assessed valuation (or \$30 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2018-19 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 \$22,800,000.

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

TAX RATE STATEMENT-Continued

and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

By: /s/ Corey Kidwell

Superintendent, Loma Prieta Joint Union School District

ARGUMENT IN FAVOR OF MEASURE R

Every child deserves to learn in safe, high-quality school facilities. Help make it true for our mountain students. **Vote yes on Measure R** for Loma Prieta Elementary and C.T. English Middle schools.

Measure R is needed to restore the classroom and office spaces lost in the Community Center fire, and make critical classroom repairs and updates. Improving classrooms and other facilities will help us deliver high-quality education.

For over sixty years, Loma Prieta Joint Union School District has been a vital resource for our mountain community. Exceptional teachers and a rigorous curriculum have prepared generations of students to succeed in high school, college, and careers. An important contributor to that education is having high-quality school facilities. Studies show that students and teachers perform better in better school facilities.

In addition, Loma Prieta schools serve as hubs for broader community connections. Our mountain schools are places for senior, youth, and adult recreation. They provide a center for emergency responders and the community.

Measure R will:

- **Rebuild** fire-damaged classrooms and community center
- **Repair** school facilities
- **Update** water systems for drinking and fire-suppression
- **Replace** outdated fire alarms and security systems
- **Improve** exterior lighting for student safety and security
- **Replace** deteriorating plumbing, electrical systems, and restroom facilities
- **Modernize** aging classroom technology infrastructure
- **Renovate** the north campus and Loma field for school and community use

All Measure R funds stay local, benefitting only Loma Prieta district schools. The State can't take this funding away.

Taxpayer protections are required. No funds can be spent on administrators' salaries or pensions. Independent citizens' oversight and mandatory audits ensure funds are spent properly.

Whether you have school-age children or not, protecting the local quality of education is a wise investment. Good schools protect property values and keep our mountain community strong.

ARGUMENT IN FAVOR OF MEASURE R-Continued

Join teachers, parents, community leaders, businesses, and residents.
Vote **yes** on **Measure R** for safe, high-quality schools.

/s/ Neil Wiley
Editor and Publisher of the Mountain Network News

/s/ Patricia Hughes
Assistant Principal, Los Gatos High School, Retired

/s/ Sanjay Khandelwal
President, Loma Prieta Community Foundation

/s/ Alexander Leman
Chief, Loma Prieta Volunteer Fire and Rescue

/s/ Deana A. Arnold
Board President, Loma Prieta School District

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE R

The Loma Prieta Joint Union Elementary School District in 2013 received a \$164 per parcel tax increase.

Now, they are back for more of your hard-earned dollars.

In 2010 the voters rejected a \$95 parcel tax and voters should also reject this \$10.6M bond measure/tax increase.

To paraphrase economist Milton Friedman, nothing is as permanent as a temporary tax. Since 2000 there have been 6 parcel taxes or bond measure tax increases in this district. What do you think will happen after another few years if this measure passes...or fails? You guessed it: they'll be back for more.

Spending, per student, is already \$13,373 per year or 117% against the state-wide average. For a class of 24 students, that's **\$320,952 per class per year!**

That's more than enough money to pay top dollar to highly qualified teachers AND to take care of building maintenance and repair damaged facilities.

The District wants to use bond money (30 years of interest) to buy "classroom technology infrastructure" that will be obsolete in 4-6 years. That's nuts!

Taxpayers have to live within their means. And so should the Loma Prieta Joint Union School District. This tax-and-spend frenzy has got to end.

They say there will be "citizen oversight", but who gets to choose these overseers? Answer the same people responsible for spending the bond money. That's like the fox guarding the hen house, isn't it?

You can be FOR schools, FOR students, and AGAINST Measure R.

Please vote NO on Measure R

For more information, visit <http://www.SVTaxpayers.org/2018-measure-R>

/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

ARGUMENT AGAINST MEASURE R

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They want to "repair Loma Prieta School District's fire-damaged classrooms".

So does this mean that they didn't have fire insurance to cover the damage?

If they did have fire insurance, why are they asking for more money to repair damage caused by fire? If they didn't have fire insurance, well that's just inexcusable and irresponsible.

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/s/ Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE R

The opponent of Measure R doesn't live in our mountain community and has made it his mission to oppose every school measure on the ballot in Santa Clara County. Measure R is **absolutely needed** and is a sound investment for OUR community and children.

As longtime Loma Prieta community members-we know the facts, and we're voting **YES on Measure R**.

Here are the facts:

FACT: Measure R is about one thing-maintaining the quality of education in our Loma Prieta Elementary and C.T. English Middle schools.

FACT: Measure R is needed to rebuild the fire damage our classrooms/community facilities have suffered and make critical repairs/updates so we can continue providing a high quality education.

FACT: The Loma Prieta Joint Union School District has fire insurance. Unfortunately, as many homeowners know, insurance does NOT cover all the costs to rebuild.

FACT: All funds benefit Loma Prieta schools and students. By law, no Measure R funds can be taken by the State or used for administrator salaries or pensions.

FACT: Measure R requires strict independent citizens oversight and annual audits to ensure that funds are spent as promised.

FACT: Loma Prieta Joint Union School District is a model of financial responsibility, making every effort to spend taxpayer dollars wisely. In 2013 voters approved a parcel tax to protect core academics and retain our highest quality teachers. Measure R is a bond to support our critical facility needs.

Don't be deceived by the opponent's inaccurate and misleading statements. Join your neighbors in protecting the outstanding quality of education in our Loma Prieta Joint Union School District. **Vote YES on Measure R.**

/s/ John Haak
Long-time Mountain Resident

/s/ Helen Renee Pressler
Long-time Mountain Resident

/s/ Roger Mason
President, Loma Prieta Museum

/s/ Phillipa Siersema
Measure H Citizens Oversight Committee Member

/s/ Shannon Hickok
Board Vice President, Loma Prieta School District