

MEASURE V

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE V

California law permits school districts to issue bonds with the approval of 55 percent of the voters. These bonds are paid by the levy of *ad valorem* 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 Patterson Joint Unified School District (District) proposes issuing bonds in the amount of \$33,852,058. In November 2008, District voters approved Measure V (2008 Measure), which authorized the District to issue bonds in the amount of \$50,000,000. The District issued 2008 Measure bonds in the amount of \$16,147,942. The District has determined that it cannot issue the remaining 2008 Measure bonds on terms that are acceptable to the District and advantageous to District taxpayers. As a result, Measure V seeks voter approval to issue the new bonds in the same amount as the remaining 2008 Measure bonds. If Measure V is approved, the Board has committed to cancel and not authorize the issuance of further 2008 Measure bonds.

As identified in the Measure, bond funds could be used for the following purposes:

- Constructing classrooms and labs;
- Upgrading fire safety and emergency communication systems;
- Providing up-to-date science, technology, engineering, arts, and math classrooms;
- Replacing aging roofs, plumbing, gas, sewer and electrical systems; and/or
- Repairing and updating classrooms, labs, athletic and other school facilities to keep pace with 21st Century learning.

The Board has certified that it has evaluated safety, class size reduction, and information technology needs in developing its project list.

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 levied to repay the proposed bonds is \$60 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 V was placed on the ballot by the Board.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE V-Continued

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$33,852,058 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 V

FULL TEXT BALLOT PROPOSITION OF THE PATTERSON JOINT UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 5, 2018

The following is the full proposition presented to the voters by the Patterson Joint Unified School District.

"To repair Patterson's classrooms, construct classrooms for 21st Century learning/reduce overcrowding, make fire safety/security improvements, replace aging plumbing/sewer/electrical systems, acquire, construct/repair classrooms, sites, facilities/equipment, shall the measure be adopted to reauthorize the \$33,852,058.10 Patterson Joint Unified School District bonds approved in 2008 as new bonds, at legal rates, levy on average 6 cents/\$100 assessed value (\$2,600,000 annually) while bonds are outstanding, with taxpayer oversight, audits, no increase in total authorized District debt?"

PROJECT LIST

The Board of Trustees ("Board") of the Patterson Joint Unified School District is committed to repairing old schools, relieving classroom overcrowding, and insuring the safety of all students. 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 for up-to-date technology, safety, class size reduction, computer and information technology, and prepared a draft Facilities Master Plan dated October 2017 and presented to the Board in February 2018, which Plan is incorporated herein in its entirety, 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) **Construct classrooms and labs to reduce overcrowding; and**
- (ii) **Upgrade fire safety and emergency communication systems; and**
- (iii) **Provide up-to-date science, technology, engineering, arts and math classrooms; and**
- (iv) **Replace aging roofs, plumbing, gas, sewer and electrical systems; and**
- (v) **Repair and update classrooms, labs, athletic and other school facilities to keep pace with 21st Century learning; and**
- (vi) **Adhere to specific fiscal accountability safeguards such as:**
 - (a) **ENSURE ALL FUNDS ARE ONLY USED LOCALLY,**
 - (b) **Prohibited the State from taking any of the funds raised,**
 - (c) **REQUIRE THAT EXPENDITURES MUST BE SUBJECT TO ANNUAL INDEPENDENT FINANCIAL AUDITS, AND**
 - (d) **Require independent citizens' and taxpayer oversight of bond funds.**

TAX RATE STATEMENT

TAX RATE STATEMENT REGARDING PROPOSED

\$33,852,058

PATTERSON JOINT UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS

An election will be held in the Patterson Joint Unified School District (the "District") on June 5, 2018, to authorize the sale of up to \$33,852,058.10 in bonds of the District to finance improvements to educational 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 5.9 cents per \$100 of assessed valuation (or \$59.00 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 2040-41.
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 6 cents per \$100 of assessed valuation (or \$60.00 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2018-19.
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 \$59 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 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 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,

TAX RATE STATEMENT-Continued

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: /s/ Philip M. Alfano

Superintendent, Patterson Joint Unified School District

ARGUMENT IN FAVOR OF MEASURE V

Patterson Joint Unified School District

Argument in Favor of Measure V

Vote YES on Measure V!

In 2008, voters overwhelmingly passed a general obligation bond to improve and protect our communities' most important assets—our local public schools. Since then, tremendous improvements have been made in repairing, rehabilitating, and upgrading the schools in Patterson Joint Unified School District.

Measure V will let us **continue the job of improving our public schools** by reauthorizing \$33.8 million of previously approved bonds. This can 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.

Measure V will improve our schools by:

- Upgrading fire alarm, and emergency communication and electrical systems
- Replacing deteriorating gas and sewer lines
- Repairing and replacing heating, ventilation, and air conditioning units
- Enhancing and expanding much needed children's athletic facilities and playgrounds for community-wide use
- Constructing classrooms to reduce overcrowding

Measure V will protect taxpayers by:

- 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
- Prohibiting the state from taking our bond money and spending it in other districts

Vote YES for safer schools.

Vote YES for 21st century state-of-the-art education facilities.

Vote YES to protect taxpayers with independent financial audits.

And Vote YES to enhance property values and home prices by improving local schools.

ARGUMENT IN FAVOR OF MEASURE V-Continued

To build better and safer schools, improve student achievement, and protect your property values, please join business leaders, teachers, parents, grandparents and neighbors in voting YES on Measure V.

/s/ Dennis McCord
City Council Member

NO ARGUMENT AGAINST MEASURE V WAS SUBMITTED