



O Fountain Valley School District, Basic Repairs and Essential Upgrades for our Students

In order to repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems; upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and improve student safety and campus security, shall Fountain Valley School District issue \$63 million in bonds at rates within legal limits, with independent citizen oversight, no money for administrators, and all money staying local?

What your vote means

YES	NO
A "Yes" vote means the school district may proceed to sell the bonds and levy the related taxes as estimated in the tax rate statement.	A "No" vote on this measure will disapprove the issuance of the bonds and the levy of the taxes for such bonded indebtedness.

For and against

FOR	AGAINST
<p>Joy Moyers Parent Leader</p> <p>Dr. Thomas R. Antal Chair, Yes on O Committee/Retired Educator</p> <p>Judith H. Edwards 16 Yr. Former Bd Member Pres., Schools Foundation</p> <p>Marc Ecker Retired School Superintendent/University Professor</p> <p>Tam Nguyen Parent/Business Owner/Vietnamese American Chamber of Commerce</p>	No argument was filed against Measure O



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Full Text of Measure O Fountain Valley School District

By approval of this proposition by at least 55% of the registered voters voting thereon, the Fountain Valley School District (“FVSD”) shall be authorized to issue and sell bonds of up to \$63 million in aggregate principal amount to provide financing for the specific school facilities projects listed below in the Bond Project List, subject to all of the accountability safeguards specified herein.

KEY FINDINGS

- FVSD provides a rigorous and high quality education for our students, consistently performing among the top school districts in Orange County and California; and
- Because great schools increase home values, with eight out of ten FVSD schools receiving the California Gold Ribbon Schools Award in the last two years, FVSD schools keep our community a strong and desirable place to live; and
- Despite strong student achievement, all of our schools were built more than 40 years ago and need basic repairs to protect student safety and provide a rigorous and high-quality education so that our schools can serve our community for decades to come; and
- Repairs and improvements to fix aging, deteriorating and inefficient classroom, library, lab and school site infrastructure, including but not limited to roofs, site utilities, technology infrastructure, interior walls, doors, flooring, paint and access are needed to keep our schools well-maintained; and
- Most classrooms lack air conditioning, resulting in uncomfortable temperatures that can reach 85 to 100 degrees; and
- Providing spaces through new construction, replacement of aging portable classrooms, or reconfiguration of existing space, is needed to support high quality instruction in science, technology, engineering, arts, and mathematics (STEAM), thereby enabling local students to access the education, technology and skills training they need to succeed in high school, college and careers and compete in a global economy; and
- FVSD conducted a comprehensive facility master planning process involving more than 200 participants to thoroughly assess the upgrades local school need to continue providing a top-notch education; and
- FVSD also convened a School Facilities Engagement (“SFEC”) Committee comprised of over 60 key community stakeholders to learn about FVSD’s facilities, to review the Facility Master Plan and the \$280 million dollar estimated cost of implementing all of FVSD’s current facility needs, to review sources of available funding to meet those needs, and to recommend next steps for how to prioritize and complete the identified facilities repairs and improvements; and
- The SFEC Committee developed a set of consensus recommendations, which included a recommendation that FVSD pursue a general obligation bond measure to fund the most urgently needed educational infrastructure and facilities improvements as described further herein; and
- This bond measure will benefit FVSD schools and no funds can be taken away by the State or other school districts, and by law, no money can be used for administrator salaries or pensions; and
- This bond measure requires strict fiscal accountability protections including mandatory annual audits and an independent citizens’ oversight committee composed of local residents to ensure funds are managed appropriate and spent on projects listed on the Bond Project List; and
- Specifically, as further described in the Bond Project List, the Board of Trustees desires to:
 - Repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems;
 - Upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and
 - Improve student safety and campus security.

ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent 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 evaluated the facilities needs of the District, and determined which projects to finance from a local bond measure 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.

Independent Citizens’ Oversight Committee. The Board of Trustees shall establish an independent citizens’ oversight committee to ensure bond proceeds are expended 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 Board of Trustees enters the results of the election in its minutes.

Annual Performance Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

Annual Financial Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

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Annual Report to Board. Upon approval of this measure 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 of Trustees no later than January 1 of each year, commencing January 1, 2017, 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

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 the following projects using a combination of funding sources. Other anticipated sources may include joint-use funds, development impact fees, state funds, 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). Approval of this measure does not guarantee that all of the proposed projects on the Bond Project List will be funded beyond the bond revenues generated by the measure. The Bond Project List contains some projects that may be dependent on the receipt of state matching funds for completion.

Bond proceeds will be expended to upgrade, repair, expand, modernize, replace, renovate, construct, furnish and equip facilities of the District including the following types of projects at:

Roch Courreges Elementary School – Built 1975
 James H. Cox Elementary School – Built 1970
 Harry C. Fulton Middle School – Built 1968
 Robert Gisler Elementary School - Built 1969
 Kazuo Masuda Middle School - Built 1975
 William Newland Elementary School - Built 1964
 Isojiro Oka Elementary School - Built 1971
 Urbain H. Plavan Elementary School - Built 1972
 Samuel E. Talbert Middle School - Built 1972
 Hisamatsu Tamura Elementary School - Built 1964

A. Top Tier Projects: Classroom Repairs and Upgrades Supporting 21st-Century Education

The Board of Trustees has determined that projects in this category are the highest priority for the use of bond funds and are planned for all school sites as needed:

- Repair or replace aging, deteriorating and inefficient classroom, library, lab and school site infrastructure including but not limited to roofs, site utilities, technology infrastructure, interior walls, doors, flooring, paint, and access.
- Install air conditioning to improve air quality and keep classrooms, libraries, labs and other school facilities from reaching temperatures of 85 to 100 degrees and upgrade windows and insulation to improve emergency efficiency.
- Provide spaces, through new construction, replacement of aging portable classrooms, or reconfiguration of existing space, to support high quality instruction in science, technology, engineering, arts, and mathematics (STEAM).

B. Second Tier Projects: Student Safety and School Security Improvements

Projects in this category are planned for all school sites as needed, pending available funding following the funding of Top Tier Projects.

- Improve student safety through upgrades to security systems, lighting, fire alarms, cameras, communication systems, parking areas, and drop-off and pick-up zones.
- Repair or replace student's playground equipment, outdoor hardscape and play fields to ensure they meet current health and safety standards and provide outdoor learning areas.

C. Third Tier Projects: Creating Dedicated Space for Science, Art and Music Programs

The Board of Trustees has determined that projects in this category are a lower priority for the use of bond funds and will be completed at school sites pending receipt of potential state matching dollars or remaining available bond funds following the funding of Top Tier and Second Tier Projects.

- Create multi-use rooms at the elementary level to support science, art, music instruction
- Create multi-purpose rooms to allow for large group events, support music & performing arts, indoor physical fitness, indoor student dining

Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as feasible, and the listing of projects does not imply a particular prioritization among such improvements. Listed projects may be completed at any and all District schools, sites and education buildings where such project is determined necessary. Decisions regarding the scope, final size and location, timing, prioritization or other facets of project implementation will be made solely by the Board of Trustees. Where terms such as "renovate," "upgrade," and "improve" are used in the Bond Project List, the Board of Trustees shall determine the best method for accomplishing the project's objective. For any listed project involving



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renovation or modernization of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the District determines that replacement and new construction is more practical than renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors. In addition, where feasible, projects may be completed in partnership with other agencies on a joint use basis using bond proceeds.

Each project is assumed to include its share of costs of bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff and consultants, staff development and training expenses associated with learning construction techniques and approaches, new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, permit and inspection fees, and temporary housing and relocation costs for dislocated programs or activities caused or necessitated by construction projects.

The final cost of each project will be determined as plans are finalized 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. Necessary site preparation/grading/restoration may occur in connection with new construction, modernization, renovation or remodeling, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, leases, licenses, or rights of way to the property.

ADDITIONAL 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 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.

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.

Other Terms of the Bonds. The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Trustees pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the weighted average maturity of the bonds sold will not exceed one hundred twenty percent (120%) of the average life of the projects being financed or as otherwise provided by federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.

Impartial Analysis Fountain Valley School District Measure O

The California Constitution provides that school districts may issue general obligation bonds 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, with the approval of 55% of the voters of the district, voting at an election for that purpose. The California Constitution further provides that the bond measure must include a requirement that bond proceeds will be used only for the permitted purposes and other requirements designed to ensure accountability.

The Board of Trustees of the Fountain Valley School District has proposed to the voters within the school district that general obligation bonds be issued in an amount up to \$63,000,000 and that *ad valorem* taxes be levied upon taxable property within the school district to repay the bonded indebtedness.

The measure provides that proceeds from the sale of the bonds will generally be used to renovate, repair, construct and upgrade school facilities within the Fountain Valley School District, including repairing or replacing library, laboratory and classroom infrastructure including roofs, HVAC systems, and plumbing; improving technology and security infrastructure; and updating playground equipment, outdoor hardscape and play fields. Bond proceeds may only be spent on the projects set forth in the measure.

The measure provides that a citizens' oversight committee will be established to ensure that bond proceeds are properly expended within Fountain Valley School District. In addition, annual performance and financial audits will be conducted. The measure also requires the Superintendent of the Fountain Valley School District to submit a yearly report to the Board of Trustees as long as the proceeds of the bond remain unexpended. The measure further provides that bond proceeds will not be used for teacher or administrator salaries or other school operating expenses.

Approval of the measure does not guarantee that the proposed project or projects in the Fountain Valley School District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the 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.

The Board of Trustees of the Fountain Valley School District has called the election for the purpose of submitting the measure to the voters within the school district. If 55% of the voters within the Fountain Valley School District voting on the measure vote "yes," the school district may proceed to sell the bonds and levy the related taxes as estimated in the tax rate statement. A "no" vote on this measure will disapprove the issuance of the bonds and the levy of the taxes for such bonded indebtedness.



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Tax Rate Statement Fountain Valley School District Measure O

An election will be held within the boundaries of Fountain Valley School District ("District") on November 8, 2016 to authorize the sale of up to \$63,000,000 in bonds to finance facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in multiple series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property located within the School 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 which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$.02995 cents per \$100 (\$29.95 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$.02999 cents per \$100 (\$29.99 per \$100,000) of assessed valuation in fiscal year 2020-21.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$.03000 cents per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2041-42.
4. The best estimate of total debt service, including principal and interest, which would be required to be repaid if all the bonds are issued and sold, is approximately \$108,910,103.

Voters should note that the estimated tax rate is based on the ASSESSED VALUE of taxable property in the school district on the official tax rolls of the County of Orange, not on the property's market value, which could be more or less than the assessed value. 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, and certain taxpayers may be eligible for a postponement of their property taxes. 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, debt service 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, 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 School District as determined by the County Assessor of Orange County in the annual assessment and the equalization process.

Dated Aug 11, 2016

s/ Mark Johnson, Ed.D
Superintendent

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Vote YES on O to repair and update local elementary and middle schools in Fountain Valley and Huntington Beach to protect great education.

Our neighborhood schools, which are among the best in the state and nation, protect the value of our homes and improve our quality of life. Even if you don't have school-age children, voting YES on O is a wise investment.

All of our elementary and middle schools were built over 40 years ago, and while well-maintained, have never received repairs and upgrades needed after decades of use by thousands of students. Measure O is the result of a two-year planning process involving hundreds of community members to identify and prioritize the most urgent school facility repairs.

Voting YES on O provides locally controlled funding to complete the highest priority improvements and help our schools qualify for state matching funds that will otherwise go to other school districts.

The Orange County Taxpayers Association carefully reviewed Measure O and certified that it meets its strict criteria for a fiscally responsible school improvement measure.

Measure O will:

- Repair or replace deteriorating roofs, plumbing and electrical systems
- Install air conditioning in classrooms to improve air quality and prevent classroom temperatures from reaching 100 degrees
- Improve student safety and campus security systems, including fencing, security cameras, emergency communications systems, smoke detectors, fire alarms and sprinklers.
- Update classrooms and labs to support high-quality instruction in math, science and technology

Strict Taxpayer Protections

- Measure O includes a detailed and prioritized project list showing exactly how funds will be spent
- A Citizens' Oversight Committee and independent annual audits ensure funds are spent properly
- All funds must stay local, cannot be taken away by the State or used for other purposes

Vote YES on O to protect our excellent schools and strong property values.

s/ Joy Moyers
Parent Leader

s/ Dr. Thomas R. Antal
Chair, Yes on O Committee/Retired Educator

s/ Judith H. Edwards
16 Yr. Former Bd Member
Pres., Schools Foundation

s/ Marc Ecker
Retired School Superintendent/University Professor

s/ Tam Nguyen
Parent/Business Owner/Vietnamese American Chamber of Commerce

No argument against this measure was submitted.