

RESOLUTION #7-2024

RESOLUTION OF THE BOARD OF EDUCATION OF LA HABRA
CITY SCHOOL DISTRICT ORDERING AN ELECTION, AND
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Education (the “Board”) of the La Habra City School District (the “District”) has determined that schools within the District need to be upgraded, repaired, expanded, and better equipped, in a fiscally prudent manner and without increasing current tax rates, to enable the District to provide classrooms, facilities, and technology needed to support high quality instruction in math, science, engineering, and technology; and

WHEREAS, since most District schools were built more than 60 years ago, additional resources are necessary to make basic improvements, including upgrading deteriorating roofs, plumbing, heating, ventilation and electrical systems as well as removing hazardous materials like asbestos and lead pipes from older school sites, where encountered; and

WHEREAS, the Board believes that since academic standards are rising it is important to upgrade older schools so they meet current health codes, building safety codes, and provide proper access for students with disabilities; and

WHEREAS, the Board believes that if kids want to succeed in college and careers they must be skilled in using today’s technology and have advanced classes in science, math, engineering and technology; and

WHEREAS, all residents benefit from living in a community with good schools and whether or not residents have school-age children, protecting the quality of our schools, the quality of life in our community, and the value of our homes, is a wise investment; and

WHEREAS, the State of California (the “State”) has been unable to provide the District with enough money for the District to adequately construct and repair schools to provide an optimal learning environment for all students and which keep pace with other top-performing districts; and

WHEREAS, the District has completed a facilities assessment with community engagement to identify the most pressing needs in each of the District’s schools to provide safe and modern classroom environments for all students; and

WHEREAS, the Board has received information regarding the possibility of a local bond measure, its bonding capacity and has determined that a local measure can be undertaken without increasing current tax rates paid by property owners of the District; and

WHEREAS, a local measure will help provide funds that cannot be taken away by the State to upgrade aging schools, protect student safety and help the District qualify for State matching funds, when those funds become available; and

WHEREAS, such measure will include mandatory taxpayer protections, including an independent citizens’ oversight committee, mandatory audits to ensure funds are spent as promised, and mandatory public disclosure on how all funds are spent; and

WHEREAS, the District has reviewed and agrees with the criteria established by the Orange County Taxpayers Association for the fiscally responsible issuance of local school district bonds; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which reduced the voter threshold for *ad valorem* tax levies used to pay for debt service on bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the “Act”) became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight that are contained in Proposition 39 and the Act; and

WHEREAS, the Board and District has solicited stakeholder and community input on school priorities from parents, teachers, staff, the community and civic leaders; and

WHEREAS, the Board desires to authorize the submission of a proposition to the District’s voters at an election to authorize the issuance of bonds to pay for certain necessary improvements and enhancements to District educational facilities which will improve the health, safety and quality of education for students in the District; and

WHEREAS, the Board hereby determines that, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for inappropriate administrative salaries or other operating expenses of the District shall be strictly monitored by the District’s Citizens’ Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, 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 the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

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

WHEREAS, the Board desires to authorize the filing of a tax rate statement and a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 5, 2024, and to request the Orange County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF EDUCATION OF THE LA HABRA CITY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Orange County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount of \$73,000,000 (the “Bonds”) shall be issued and sold for the purpose of raising money for the projects described in Exhibits “A” and “B” hereto. Both exhibits are directed to be printed in the voter pamphlet. The District's Superintendent, or designee, is hereby authorized and directed to make any changes to the text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of election officials, and requirements of law.

Section 2. That the date of the election shall be November 5, 2024.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit “A,” incorporated by reference herein, and containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 policies of the Board and the Act, the ballot propositions in Exhibits “A” and “B” are subject to the following requirements and determinations:

(a) that the proceeds of the sale of the Bonds shall be used only for the purposes set forth in the ballot measure and not for any other purpose, including teacher or administrator salaries or other school operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit “B,” evaluated the safety, class size reduction, classroom, educational and information technology needs of the District as well as the importance of the projects to improve student learning in core subjects like math, science, engineering, the arts and technology;

(c) that the Board shall cause an annual, independent performance audit to be conducted to ensure that the Bond monies get spent only for the projects identified in Exhibit “B” hereto;

(d) that the Board shall cause an annual, independent financial audit of the proceeds from sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board shall cause there to be full public disclosure of how all funds are spent;

(f) that the Board shall appoint a Citizens’ Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens’ Oversight Committee shall initially consist of at least seven (7) members and at no time consist of less than seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies. The Citizens’ Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens’ Oversight Committee shall include all of the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens’ organization; One member who is active in taxpayers association. In furtherance of its specifically enumerated purposes, the Citizens’ Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

(i) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);

(ii) Inspect District facilities and grounds to ensure that Proposition 39 bond revenues are expended in compliance with applicable law;

(iii) Receive and review copies of all scheduled maintenance proposals or plans developed by the District;

(iv) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs; and

(g) that the tax levy authorized to secure the bonds of this election shall not exceed the Proposition 39 limits per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

(h) that the Board will provide the Citizen's Oversight Committee with a list of completed projects annually at regularly scheduled meetings;

(i) that the Board will maintain a reserve of 2% - 3% of general funds for economic uncertainties;

(j) that the Board will budget 2-3% of its operating revenues for maintenance of facilities;

(k) that the Board will seek to set aside at least 2% of the value of the Bonds issued from the general fund for future construction and repairs;

(l) that the bonds will be sold at a competitive sale.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Education Code Section 5322. In connection with ordering election pursuant to the provisions hereof, the District has obtained reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuation made by the Orange County assessor that are available to the District.

Section 6. That the Orange County Registrar of Voters and the Orange County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 5, 2024 within the District. As provided in Elections Code Section 10403, the District acknowledges that the consolidation election will be conducted in the manner described in Elections Code Section 10418.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Orange County Registrar of Voters no later than August 9, 2024.

Section 8. That Bonds may be issued pursuant to Education Code Section 15264 *et seq.* or Government Code Section 53506. The maximum rate of interest on any Bond shall not exceed the

maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by any body or official authorized by law to canvass such returns, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Orange County Registrar of Voters by the established deadlines.

Section 10. Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Board of Supervisors of Orange County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election, for which services the District agrees to reimburse Orange County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.

ADOPTED, SIGNED AND APPROVED this 13th day of June, 2024.

BOARD OF EDUCATION OF THE LA HABRA
CITY SCHOOL DISTRICT

By _____
President

Attest:

Secretary

STATE OF CALIFORNIA)
)
ORANGE COUNTY)

I, Dr. Mario Carlos, do hereby certify that the foregoing is a true and correct copy of Resolution #7-2024, which was duly adopted by the Board of Education of the La Habra City School District at the meeting thereof held on the 13th day of June, 2024, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary

EXHIBIT A

“To provide safe, modern neighborhood schools; fix deteriorating roofs, plumbing, electrical, and infrastructure; upgrade classrooms and science labs to support student achievement in math, science, technology, arts, and engineering; repair, construct, acquire classrooms, equipment, sites/ facilities; shall La Habra City School District’s measure be adopted authorizing \$73,000,000 in bonds at legal rates **without increasing current tax rates**, levying \$25 per \$100,000 assessed value (\$5,000,000 annually) while bonds are outstanding, with independent audits, citizen oversight, and all money locally controlled?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE LA HABRA CITY SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 5, 2024

The following is the full proposition presented to the voters by the La Habra City School District.

“To provide safe, modern neighborhood schools; fix deteriorating roofs, plumbing, electrical, and infrastructure; upgrade classrooms and science labs to support student achievement in math, science, technology, arts, and engineering; repair, construct, acquire classrooms, equipment, sites/ facilities; shall La Habra City School District’s measure be adopted authorizing \$73,000,000 in bonds at legal rates **without increasing current tax rates**, levying \$25 per \$100,000 assessed value (\$5,000,000 annually) while bonds are outstanding, with independent audits, citizen oversight, and all money locally controlled?”

PROJECT LIST

The Board of Education of the La Habra City School District is committed to **improving the quality of education** in local schools by providing safe, secure, upgraded classrooms, labs and technology needed to support high quality instruction **in math, science, engineering and technology**. To that end, the Board evaluated the District’s urgent and critical facility needs, including **safety** issues, class size reduction, **basic repairs**, computer and information technology in developing the types of projects to be funded by this measure as described below. The District conducted a facilities evaluation and received public input in developing this Project List. The Board have prioritized the key health and safety needs so that the most critical facility needs are addressed.

In approving this Project List, the Board of Education determines that the District **must**:

- **PROVIDE** classrooms, facilities and technology needed to support high quality instruction in math, science, engineering, and technology.
- **REPAIR** older classrooms and school facilities including deteriorating roofs, plumbing, gas lines, sewer lines, heating, ventilation, and electrical systems, and remove hazardous materials, like asbestos and lead pipes, from older school sites, where encountered.
- **UPGRADE** older schools so they meet current health codes, building safety codes, provide proper access for students with disabilities.
- **IMPROVE** student safety and campus security including fencing, intruder protection systems, emergency communications systems, smoke detectors, fire alarms, and sprinkler systems.
- **KEEP** computer systems and instructional technology up-to-date.
- **REQUIRE A TRANSPARENT SYSTEM OF ACCOUNTABILITY, INCLUDING A PROJECT LIST DETAILING HOW MONEY WILL BE USED, A CITIZENS’OVERSIGHT COMMITTEE AND PUBLIC DISCLOSURE OF HOW ALL FUNDS ARE SPENT.**

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

**STUDENT SAFETY AND ACHIEVEMENT: LOCAL SCHOOL FUNDING TO SUPPORT
HIGH QUALITY INSTRUCTION IN MATH, SCIENCE, ENGINEERING AND
TECHNOLOGY**

Projects That Improve Student Safety and Success

Goals and Purposes: Some schools were built so long ago that the infrastructure is failing, resulting in gas leaks, water leaks, and sewage backups. We need to fix these problems.

Most schools were built over 60 years ago and they need to be modernized. It is time to make essential repairs and improvements so that the District's schools can serve the community well for decades to come.

Student safety, security has become top priority for schools around nation. This measure will provide funding for increased safety, security that will protect students and staff in case of an emergency.

Schools will benefit from a variety of safety and achievement projects, such as:

- Upgrade older schools so they meet current health codes, building safety codes, and provide proper access for students with disabilities.
- **Repair or replace deteriorating roofs, plumbing, heating, ventilation, gas lines, sewer lines, electrical systems, where needed.**
- Remove hazardous materials like asbestos and lead pipes from older school sites, where encountered.
- Improve student safety and campus security systems, including cameras fencing, emergency communications systems, smoke detectors, fire alarms and sprinklers.
- Improve heating, ventilation, air conditioning, insulation, doors, windows, infrastructure to increase energy efficiency, reduce utility bills and have more money to spend in the classroom.

IMPROVE THE QUALITY OF EDUCATION IN LOCAL PUBLIC SCHOOLS

School Repair and Upgrade Projects Funded By Money That Cannot Be Taken By the State Or Used for Other Purposes

Goals and Purposes: If we want our kids to succeed in high school, college and careers, they must be skilled in the use of today's technologies and have a solid background in science, math, engineering and technology. This measure will make this possible.

Some schools have modern classrooms, labs, educational facilities, but others do not. This measure will ensure that ALL students have equal access to the classrooms, labs, and facilities they need to succeed.

- Provide classrooms, labs and technology to support high quality instructions in math, science, engineering and technology.
- Keep computer systems and instructional technology up-to-date.
- Create modern, multi-use classrooms to support hands-on science instruction and learning-by-doing.
- Ensure that children's playground equipment and play areas meet current health and safety standards.
- Provide the classrooms and facilities needed to support high quality instruction in music, visual and performing arts.

In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: add or renovate student and staff restrooms; repair and replace electrical, plumbing, heating, ventilation and air conditioning systems; upgrade of facilities for energy efficiencies; repair and replace worn-out and deteriorated roofs, windows, walls, floors, doors and drinking fountains; construct or renovate facilities for more efficient administration and multi-purpose learning spaces; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices; upgrade or construct support facilities including administrative, physical education, gyms, music, art, performing and fine arts classrooms or facilities, science, computer labs/classrooms, libraries and buildings, covered eating areas, and welcome centers; repair and replace fire alarms, emergency communications, fencing and security systems; improve facilities to satisfy ADA requirements; resurface or replace asphalt, broken concrete and improve hard courts, turf and irrigation/drainage systems and campus landscaping; install signage and marquees; expand parking lots and improve pick-up and drop-off areas; improve all site utilities; acquire land; construct new school buildings; upgrade or replace interior and exterior painting, floor covering (including carpets), and school facades; demolition; upgrade kitchens, food service, and school cafeterias; build or install or upgrade a data center and install generators at school sites and central district office; construct various forms of storage and support spaces and classrooms; improve outdoor learning environments and quads; repair, upgrade and install interior and exterior lighting systems; improve playgrounds, tracks, play structures, sports complex, athletic fields and facilities to support student health, fitness and safety; replace outdated security fences and security systems (including access control systems), provide lunch shelters, indoor space for assemblies or for rainy day lunch; transform libraries into modern learning centers; upgrade music labs, multi-purpose rooms,

learning centers and library media centers; add or upgrade parking lots. 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 construction projects. The upgrading of technology infrastructure includes, but is not limited to, network rewiring, cabling, fiber infrastructure, computers, portable interface devices, servers, switches, routers, modules, sound projection systems, classroom tv/audio enhancements, laser printers, digital white boards, document projectors, upgrade voice-over-IP, clock/telephone/ intercom systems, call manager and network security/firewall, wireless technology systems, refresh classroom technology, miscellaneous IT and instructional equipment, data storage, phones, identity cards and the construction and installation of a data center in the cloud for the District's enterprise systems, such as resource planning, websites, domain name systems, cloud applications and information security. 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 portable classrooms and 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 or drainage systems, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. 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. 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 types of projects and 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.

FISCAL ACCOUNTABILITY: THIS MEASURE REQUIRES A CLEAR SYSTEM OF ACCOUNTABILITY, INCLUDING A PROJECT LIST DETAILING HOW THE MONEY WILL BE USED, A CITIZEN'S OVERSIGHT COMMITTEE, IDEPENDENT AUDITS TO ENSURE MONEY IS SPENT PROPERLY AND PUBLIC DISCLOSURE OF HOW ALL FUNDS ARE SPENT.

IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF EDUCATION 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.