

BEFORE THE GOVERNING BOARD OF THE
HOLLISTER SCHOOL DISTRICT

RESOLUTION NO. 21:15-16

RESOLUTION ORDERING AN ELECTION TO AUTHORIZE THE
ISSUANCE OF SCHOOL BONDS, ESTABLISHING SPECIFICATIONS
OF THE ELECTION ORDER, AND REQUESTING CONSOLIDATION
WITH ANY OTHER ELECTIONS OCCURRING ON NOVEMBER 8, 2016

WHEREAS, in the judgment of the Board of Trustees (the “Board”) of the Hollister School District (the “District”), it is advisable to call an election to submit to the electors of the District the question of whether the bonds of the District shall be issued and sold for the purpose of raising money for the improvement, upgrade, and renovation of the District’s existing schools and the acquisition and construction of additional classrooms and school facilities; and

WHEREAS, the District is in need of a new school to accommodate a projected increase of 750 pupils over the next seven years due to residential development; and

WHEREAS, schools within the District are aging and in need of replacement or repair with respect to roofing, heating and air conditioning systems, storm and water drainage systems, security systems, plumbing, insulation, electrical systems, safety, and lighting systems to ensure the health and safety of pupils, staff and community; and

WHEREAS, antiquated facilities systems throughout the schools are both ineffective and costly to operate and need to be updated; and

WHEREAS, District schools need technology infrastructure and tools to meet curricular requirements and prepare students for success upon promotion; and

WHEREAS, excellent schools and classrooms benefit the District’s ability to recruit and retain excellent teachers and keep our community vital by continuing to attract young families; and

WHEREAS, without a local school bond, the District will lose the opportunity to receive state matching funds which will then be awarded to other school districts; and

WHEREAS, as a result of the approval of Proposition 39 on November 7, 2000, Article XIII A, Section 1, paragraph (b) of the California Constitution (“Article XIII A”) provides an exception to the limit on *ad valorem* property taxes on real property for bonded indebtedness incurred by a school district that has been approved by fifty-five percent (55%) of the voters of the District voting on the proposition; and

WHEREAS, pursuant to California Education Code section 15264 *et seq.* (the “Act”), this Board is specifically authorized, upon approval by two-thirds (2/3) of the Board, to submit to

the electorate of the District the question of whether bonds of the District shall be issued and sold for specified purposes, upon a fifty-five percent (55%) vote of the electorate in favor on the question, pursuant to paragraph (3) of said subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution; and

WHEREAS, pursuant to California Election Code section 10403 *et seq.*, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 8, 2016, and to request the election officials of San Benito County (the "County") to perform certain election services for the District.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE HOLLISTER SCHOOL DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. **Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the principal amount not to exceed \$36,000,000 for the purpose of raising money for the improvement, upgrade, renovation, and replacement of the District's existing schools, facilities, and improvements, and the acquisition and construction of additional schools, facilities, and improvements, and paying costs incident thereto, as set forth more fully in a ballot proposition approved pursuant to Section 3 below. This Resolution constitutes the order of the District to call such election.
2. **Election Date.** The date of the election shall be November 8, 2016, and the election shall be held solely within the boundaries of the District.
3. **Purpose of Election; Ballot Proposition.** The purpose of the election shall be for the voters of the District to vote on a proposition, a full copy of which is attached hereto as ***Exhibit A***, containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of section 15272 of the Act. As required by California Elections Code section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto as ***Exhibit B***. The District's Superintendent (or his designee) is hereby authorized and directed to make any changes to the text of the proposition or its abbreviated form as required to comply with the intent of this Resolution, the requirements of elections officials, and requirements of law.
4. **Authority for Election.** The authority for ordering the election is contained in California Education Code section 15264 *et seq.* and Article XIII A, Section 1, paragraph (b), subsection (3) of the California Constitution. The authority for the specification of this election order is contained in California Education Code section 5322.
5. **School Facilities Projects.** A list of the specific school facilities projects and uses to be funded from the proceeds of the bonds is set forth in ***Exhibit A***. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class-size

reduction, and information technology needs of the District in developing the list of school facilities projects and uses set forth in *Exhibit A*.

6. **Covenants of the Board upon Approval of the Bonds by the Electorate.** As required by Article XIII A and Section 15272 of the Act, if at least fifty-five percent (55%) of the voters of the District voting on the measure approve of the bonds, the Board shall:

- (a) Use the bond proceeds only for the purposes authorized under Article XIII A, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, and the acquisition or lease of real property for school facilities, as specifically set forth in *Exhibit A*, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in *Exhibit A*;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for school facilities projects and uses listed in *Exhibit A*; and
- (d) Establish and appoint members to an independent citizens' oversight committee in accordance with sections 15278, 15280, and 15282 of the Act.

7. **Delivery of this Resolution.** The Clerk of this Board is hereby authorized and directed to send or hand deliver a copy of this Resolution to the County Superintendent of Schools and the County Registrar of Voters by no later than August 12, 2016.

8. **Declaration of Official Intent.** The District hereby declares its official intent, subject to the further approval of this Board, to use up to the maximum amount permitted by law of the proceeds of the proposed bonds to reimburse itself for payments it has made for any eligible costs of the projects and uses listed in *Exhibit A*. It is intended that this Resolution shall, among other things, constitute a declaration of "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

9. **Ballot Arguments; Tax Rate Statement.** Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The Superintendent, President of the Board, or their designees, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

10. **Consolidation of Election; Election Services.** The County Registrar of Voters and the County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2016, within the District. Pursuant to section 5303 of the Education Code and section 10002 of the Elections Code, the County Board of Supervisors is requested to permit the County Registrar of Voters, and other appropriate officials of the County, to render all services necessary in connection with the bond election including, but not limited to, publication of a Formal Notice of School Bond Election pursuant to Education Code section 5363 and related law (the proposed form of which is attached hereto as ***Exhibit C***), the mailing of the sample ballot and tax rate statement (described in section 9401 of the Elections Code), the opportunity to submit ballot arguments in connection with the bond election, the canvassing and certification of the returns of the election, and other ballot requirements pursuant to Elections Code section 15123, for which services the District agrees to reimburse the County as required by law.

11. **Severability.** If any section, subsection, phrase or clause of this Resolution, or its application to any person or circumstance, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution, or their application to any other person or circumstance. The Board declares that it would have adopted this Resolution and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, sentences, phrases or clauses, or their application to any person or circumstance, shall be declared invalid.

12. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

* * * * *

PASSED AND ADOPTED on June 28, 2016, by the following vote:

AYES: _____

NOES: _____

ABSTENTIONS: _____

ABSENT: _____

By: _____
President, Board of Trustees of the
Hollister School District

ATTEST:

Clerk, Board of Trustees of the
Hollister School District

EXHIBIT A

FULL TEXT OF BOND MEASURE

for

HOLLISTER SCHOOL DISTRICT

INTRODUCTION

The Hollister School District serves a population of approximately 5,600 students in 10 schools, including six elementary schools, two middle schools, one dual-language academy, and one accelerated achievement academy. The District is in need of a new school to accommodate a projected increase of 750 pupils over the next seven years. The District has several aging schools, and it faces other challenges to its capacity to adequately house all of its students. The District has an ongoing need for investment infrastructure, including site security needs; technology infrastructure for future needs and increased capacity; and food services. The District needs to be prepared for increased enrollment because of local home development and construction. There are nearly 4,000 new homes currently in planning stages throughout the District. There is presently no additional capacity for more classes at the Calaveras and Accelerated Achievement Academy and Rancho San Justo Middle School. Other school campuses have very limited capacity for more classes. A much larger, and much more long-term solution to address issues of growth, equity, facilities upgrades and modernization needs, will be consideration of the District asking the voters to approve a General Obligation Bond.

The State of California requires a local match, funded primarily through local, general obligation bonds, for school districts wishing to pursue matching state funds for the upgrade or replacement of school buildings and facilities. The millions of dollars potentially available through the State match allows local taxpayers to benefit from the tax dollars they already pay to Sacramento.

It is imperative that our students are housed in safe schools. In addition, our students would benefit from complete, comprehensive, and efficient schools. We need to act locally to build safe and modern schools to ensure our students have the educational opportunities they deserve.

BONDS

To improve conditions, reduce classroom overcrowding, accommodate growing student enrollment in all elementary and middle schools, keep neighborhood schools small and well-maintained by building a new school and continuing to improve school safety, security and technology, maximize energy efficiency, and acquiring, constructing or equipping classrooms, facilities and sites, shall the Hollister School District issue \$36,000,000 in bonds at legal rates, with independent citizens' oversight, annual audits, and no money for administrators' salaries?

BONDS MAY BE ISSUED IN EXCESS OF THE STATUTORY BONDING LIMIT

Issuance of all of the authorized bonds might require the outstanding debt of the District to exceed its statutory bonding limit of 1.25% of the total assessed valuation of taxable property in the District. In that event, the District intends to seek a waiver of its bonding limit from the State Board of Education, which has the power to waive certain requirements of the Education Code applicable to the District. By approval of this proposition, the voters have authorized the District to seek such a waiver, and to issue authorized bonds in excess of the 1.25% limit as the State Board of Education may approve. No such waiver has yet been sought or granted.

SCHOOL FACILITIES PROJECTS TO BE FUNDED FROM BOND PROCEEDS

As required by the California Constitution, the proceeds from the sale of the bonds will be used only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, as specifically set forth in this Exhibit A, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine 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.

The following list describes the specific projects the District proposes to finance with proceeds of the bonds. The scope of specific projects, the order of construction, and their completion is contingent on final project costs and the availability of needed funds. Further, projects on the project list are of the type that issuing the authorized general obligation bonds as stated will not cause the State to reduce any financial hardship contribution that would otherwise be available to the District had these bonds not been authorized, issued, and or expended for their stated purpose.

New School Facility Construction, in order to serve the expected influx of pupils and families to the District's community, including new construction, with necessary furnishings, equipment and technology improvements, installation of site infrastructure, and land acquisition, as needed, for construction.

Accelerated Achievement Academy, located at 1151 Buena Vista Road, Hollister, California – rehabilitation, reconstruction, or replacement of classrooms, facilities, and improvements, including:

- construct new classroom buildings (“New Classrooms”)
- create accessible paths of travel (paving, thresholds, and landings), upgrade door frames and related hardware, upgrade and improve restrooms, casework, signage, and/or other facilities to comply with the Americans with Disabilities Act (“ADA Compliance Upgrades”)
- code compliance and safety upgrades to facilities, including restrooms, fire alarms, seismic safety or other retro-fitting (e.g., gas/water shutoff valves), and/or paving (“Code and Safety Improvements”)
- infrastructure upgrades, including exterior enclosures (“Upgrade Exterior Enclosures”)
- replace or retrofit portable or permanent roofing systems (“Roofing Upgrades”)
- replace heating, ventilation, and air conditioning (“HVAC”) and/or make other utility systems upgrades, such as EMS (“HVAC Upgrades”)
- technology installation and upgrades, including electrical service or distribution, lighting, receptacles, phones, television, and/or data systems (“Technology Upgrades”)
- certain site work, including improvements to playfields, athletic fields, site furnishings (e.g., benches, trash bins, bike racks), and/or related utility infrastructure (“Playground and Site Improvements”)
- modernize existing facilities, including replacement of floor, wall, and ceiling finishes and addition of casework and conversion of library facilities to a modern library/media center (“Modernize Classroom and Library Facilities”)
- acquisition of leased facilities, fixtures, and improvements (“Acquire Leased Facilities”)

Calaveras Elementary School, located at 1151 Buena Vista Rd., Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Cerra Vista Elementary School, located at 2151 Cerra Vista Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Gabilan Hills Elementary School, located at 921 Santa Ana Road, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Hollister Dual Language Academy, located at 873 Santa Ana Road, No. 200, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Ladd Lane Elementary School, located at 161 Ladd Lane, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

R.O. Hardin Elementary School, located at 881 Line Street, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Code and Safety Improvements
- Roofing Upgrades
- HVAC Upgrades
- Playground and Site Improvements

Sunnyslope Elementary School, located at 1475 Memorial Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA compliance upgrades, including paving replacement and casework
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Marguerite Maze Middle School, located at 900 Meridian Street, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Build and install new facilities, including new locker rooms, installation of all-weather track and field, installation of new gymnasium flooring, and upgrade to science laboratory
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Rancho San Justo Middle School, located at 1201 Rancho Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Build and install new facilities, including installation of all-weather track and field, installation of new gymnasium flooring, upgrade to science laboratory, and increase musical instrument storage facilities
- Code and Safety Improvements
- Upgrade Exterior Enclosure
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

District Office, located at 2690 Cienega Road, Hollister, California – construction, rehabilitation or reconstruction and installation of facilities and improvements, including:

- Food service upgrades, including a central prep kitchen
- Construction and installation of a network operations center

These projects may include participation in the State Facility Program's Joint-Use Program to gain matching funds for teacher education, multi-purpose rooms, gymnasiums, libraries, childcare, and other qualifying Joint-Use facilities. With respect to such joint-use projects, the bond funds authorized by this Measure may be used to pay all of the local share needed to qualify the projects for special State matching funds under the State Facility Program's Joint-Use Program requirements.

The Board of Trustees hereby certifies that it has evaluated the safety, class-size reduction, and information technology needs of the District in developing this list of school facilities projects.

ACCOUNTABILITY MEASURES

If the bonds are approved, the Board of Trustees will implement the following accountability measures in accordance with State law:

- (a) Use the bond proceeds only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and related uses, as specifically set forth in this Exhibit A, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in this Exhibit A;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for school facilities projects and uses listed in this Exhibit A; and
- (d) Establish and appoint members to an independent citizens' oversight committee to ensure the bonds are used only for the projects and uses listed in this Exhibit A.

STATE MATCHING FUNDS

California Education Code section 15122.5 requires the following statement to be included in this sample ballot:

"Approval of this bond measure does not guarantee that the proposed projects in the Hollister School District that are the subject of bonds under this measure will be funded beyond the local revenues generated by this bond measure. The school district's proposal for certain of the projects assumes the receipt of matching state funds, which are subject to appropriation by the Legislature or approval of a statewide bond measure."

ANNUAL TAX AMOUNT, RATE, AND DURATION

The bonds shall bear interest at an annual rate not exceeding the statutory maximum. The maturity of the bonds shall not exceed the maximum term allowed by law at the time of issuance (currently 25 years if issued under Education Code section 15140, or 40 years if issued under Government Code section 53508, so long as the bonds are not capital appreciation bonds (“CABs,” which CABs are limited to 25 years)). Accordingly, as further set forth in the tax rate statement, the *ad valorem* tax will be levied at such rates and for so long as may be required to meet the debt service needs of the bonds proposed to be issued, including such bonds that may be issued to refund any approved bonds.

EXHIBIT B

**BOND MEASURE
for
HOLLISTER SCHOOL DISTRICT**

(Abbreviated Form)*

<p>“To improve conditions, reduce classroom overcrowding, accommodate growing student enrollment in all elementary and middle schools, keep neighborhood schools small and well-maintained by building a new school and continuing to improve school safety, security and technology, maximize energy efficiency, and acquiring, constructing or equipping classrooms, facilities and sites, shall the Hollister School District issue \$36,000,000 in bonds at legal rates, with independent citizens’ oversight, annual audits, and no money for administrators’ salaries?”</p>	<p>BONDS – YES</p>
	<p>BONDS – NO</p>

* Limited to 75 words pursuant to California Elections Code section 13247.

EXHIBIT C

FORMAL NOTICE OF SCHOOL BOND ELECTION

NOTICE IS HEREBY GIVEN to the qualified electors of the Hollister School District of San Benito County, California, that in accordance with the provisions of the Education Code of the State of California, an election will be held on November 8, 2016 within the District, at which election the following measure shall be submitted to the qualified electors of the District and voted upon:

“To improve conditions, reduce classroom overcrowding, accommodate growing student enrollment in all elementary and middle schools, keep neighborhood schools small and well-maintained by building a new school and continuing to improve school safety, security and technology, maximize energy efficiency, and acquiring, constructing or equipping classrooms, facilities and sites, shall the Hollister School District issue \$36,000,000 in bonds at legal rates, with independent citizens’ oversight, annual audits, and no money for administrators’ salaries?”

Bonds – Yes

Bonds – No”

The bonds shall bear interest at an annual rate not exceeding the statutory maximum. The maturity of the bonds shall not exceed the maximum term allowed by law at the time of issuance (currently 25 years if issued under Education Code section 15140, or 40 years if issued under Government Code section 53508, so long as the bonds are not capital appreciation bonds (“CABs,” which CABs are limited to 25 years)). Accordingly, as further set forth in the tax rate statement, the *ad valorem* tax will be levied at such rates and for so long as may be required to meet the debt service needs of the bonds proposed to be issued, including such bonds that may be issued to refund any approved bonds.

All of the purposes enumerated in the foregoing measure shall be united and voted upon as one single measure, with precincts, places of holding the elections and officers appointed to conduct the elections to be the same as those provided for the statewide presidential general election to be held on November 8, 2016, under the Notice of Election published _____.

This election has been called pursuant to a Resolution of the Board of Trustees of the Hollister School District, adopted on June 28, 2016. The Elections Official of the County of San Benito hereby gives formal notice of the election in accordance with the provisions of Education Code Section 15120.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2016.

Registrar of Voters
San Benito County, California