

National School District Resolution

#16-17.02

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
NATIONAL SCHOOL DISTRICT
ORDERING A SCHOOL BOND ELECTION,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON NOVEMBER 8, 2016**

WHEREAS, the National School District (the "District") is a school district duly organized under the laws of the State of California;

WHEREAS, the Board of Trustees of the District (the "Board") is authorized, upon a two-thirds vote of the Board, to pursue the authorization and issuance of bonds by a 55% vote of the electorate on the question whether bonds of the District (the "Bonds") shall be issued and sold for specified purposes, under Article XIII A Section 1 paragraph (b) of the California Constitution ("Article XIII A") and under Education Code Section 15264 *et seq.* (the "Act");

WHEREAS, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election, or a statewide special election;

WHEREAS, under Section 10403 *et seq.* of the California 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 8, 2016, and to request the San Diego County Registrar of Voters (the "County Registrar") to perform certain election services for the District; and

WHEREAS, the Board deems it necessary and advisable to call an election to submit to the electors of the District the question whether bonds of the District shall be issued and sold for the purpose of raising money to modernize, replace, renovate, construct, acquire and rebuild school facilities of the District.

NOW, THEREFORE, be it resolved by the Board of Trustees of the National School District, San Diego County, California, as follows:

Section 1. Election Order. 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 of \$30 million for the purposes described in the ballot measure approved under Section 3 and attached hereto as Exhibit A (Full Text of the Measure) and Exhibit B (Abbreviated Ballot Measure), and paying costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

Section 2. Authority for the Election; Election Date. Pursuant to Education Code Sections 5304, 5322 and 15264 *et seq.*, and Article XVI, Section 18(b) of the California Constitution, an election shall be held solely within the boundaries of the District on November 8, 2016.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a measure, a full copy of which is attached hereto as Exhibit A and marked “Exhibit A – Ballot Measure – Full Text of Measure” (the “Full Text of the Measure”), 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. The Full Text of the Measure, which commences with the heading “FULL TEXT OF MEASURE” and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure. As required by Elections Code Section 13247 and Education Code Section 5322, the abbreviated form of the measure to appear on the ballot is attached hereto as Exhibit B and is marked as “Exhibit B – Ballot Measure – Abbreviated Form” (the “Abbreviated Ballot Measure”). The Superintendent and Assistant Superintendent, Business Services, or their designee, are hereby authorized and directed to make any changes to the text of the measure (full text and/or abbreviated measure) as required to conform to any requirements of Article XIII A, the Act, the Elections Code, the San Diego Registrar of Voters (the “County Registrar”), the San Diego County Counsel or the District’s bond counsel.

Section 4. Use of Bond Proceeds, Facilities Specifications and Audit Requirements.

(a) Proceeds from the sale of the bonds may be used only for the purposes specified in Article XIII A, section 1(b)(3) of the California Constitution.

(b) The school facilities projects (the “Projects”) to be funded are listed 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 in developing the list of Projects set forth in Exhibit A.

(c) The Board shall conduct an annual, independent performance audit to ensure that the bond funds have been expended only on the specific Projects listed in Exhibit A.

(d) The Board shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of the proceeds have been expended for the Projects listed in Exhibit A.

Section 5. Government Code Accountability Requirements. Pursuant to Government Code sections 53410 and 53411, the District hereby finds or directs that:

(a) the purpose of the Bonds is to fund the facility needs as set forth in the Full Text of the Measure;

(b) the bond proceeds shall only be used on the Projects authorized in the Full Text of the Measure;

(c) all proceeds of the Bonds shall be placed in a separate account; and

(d) the Assistant Superintendent, Business Services of the District shall issue an annual report to the Board containing the amount of funds collected and expended as well as the status of the Projects authorized in the Full Text of the Measure.

Section 6. Independent Citizens' Oversight Committee. It is the intent of the Board that an independent citizens' oversight committee be appointed to ensure that the proceeds of the Bonds are spent only for the specific purposes and Projects identified in Exhibit A. The membership requirements and procedures for such committee shall be established by the Board in accordance with the requirements of law.

Section 7. Vote Required. Pursuant to Section 18(b) of Article XVI and Section 1 of Article XIII A of the California Constitution, the bond measure shall become effective only upon affirmative vote of fifty-five percent (55%) of those voters voting on the measure.

Section 8. Delivery of this Resolution; County Registrar of Voters to Call and Conduct Election. The Superintendent is hereby directed to send a copy of this Resolution to (1) the San Diego County Superintendent of Schools, (2) the County Registrar and (3) the San Diego County Clerk of the Board of Supervisors. Pursuant to Education Code Section 5322, the Resolution shall be received by the County Registrar no later than 88 days prior to the election date, unless otherwise permitted by law.

Pursuant to Section 5303 of the Education Code, the County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Exhibit A hereto, to publish a notice of school bond election in a newspaper of general circulation within the District, and to take all steps to prepare for and hold the election within the boundaries of the District in accordance with law and these specifications.

Section 9. Consolidation with Other Elections. Pursuant to Sections 5342, 15121, and 15266 of the Education Code and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the County Registrar and the San Diego County Board of Supervisors (the "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 10403 of the Elections Code, the Board hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed by Section 10418 of the Elections Code.

Section 10. Services of County Registrar of Voters. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Registrar to render all services incident to the preparation for and holding of the election, for which services the District agrees to reimburse San Diego County in full from District funds upon presentation of a bill from the 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 Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and the Elections Code. The Board hereby requests the County Registrar to publish the Full Text of the Measure, the Abbreviated Ballot Measure, and the Tax Rate Statement attached hereto as Exhibit C in the ballot materials.

Section 11. Canvass of Returns. The Board of Supervisors is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 12. 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 Board hereby approves the form of the Tax Rate Statement attached hereto as Exhibit C. The President of the Board, the Superintendent, the Assistant Superintendent, Business Services or any designee of the foregoing, are hereby authorized to execute the attached Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

Section 13. Authority for Bonds; Tax Rate. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, if lawfully available to the District, or under any other provision of law authorizing the issuance of general obligation bonds by school districts. No series of Bonds shall be issued if such issuance would cause the tax rate levied to pay debt service on all of the outstanding Bonds to exceed \$30 per year per \$100,000 of taxable property (as defined in Section 15268 of the Act), based on projections made by the District at the time of issuance of such series of Bonds.

Section 14. State Matching Funds. Certain of the Projects may require state matching funds for completion. Approval of the District's bond measure does not guarantee that the proposed Projects will be funded beyond the local revenues generated by this bond measure. The District's proposal for the Projects may assume receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure. Reductions in state funds may result in a subsequent reduction in funding of Projects provided for herein.

Section 15. General Authorization with Respect to the Bond Measure. The members of the Board, the Superintendent, the Assistant Superintendent, Business Services, and the other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, to prepare and submit a tax rate statement for inclusion in the voter information pamphlet and an argument in favor of passage of the ballot proposition. All actions heretofore taken by the officers and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respect.

Section 16. Financial Advisor. The firm of Dale Scott & Company, is hereby retained as financial advisor with respect to the Bonds. The Superintendent, the Assistant Superintendent, Business Services, and their respective designees, and each of them individually, are hereby authorized to execute and deliver a services agreement with such firm in the form of such agreement on file with the Secretary of the Board.

Section 17. Bond and Disclosure Counsel. The law firm of Dannis Woliver and Kelly is hereby retained to provide pre-election services and, following passage of the bond measure, as bond and disclosure counsel to the District with respect to the Bonds. The Superintendent, the Assistant Superintendent, Business Services, and their respective designees, and each of them

individually, are hereby authorized to execute and deliver a legal services agreement with such firm in the form of such agreement on file with the Secretary of the Board.

Section 18. Official Intent to Reimburse Expenditures. The District intends to undertake the Projects as identified in Exhibit A. The District intends to use the proceeds of its general obligation bonds described in this Resolution to finance the Projects. The District may pay certain capital expenditures (the “Reimbursement Expenditures”) in connection with the Projects prior to the issuance of the Bonds. The District reasonably expects that Bonds in an amount not expected to exceed \$30 million will be issued by it for the purpose of financing the Projects on a long-term basis and that certain of the proceeds of such debt obligations may be used to reimburse the District for the Reimbursement Expenditures. The Board hereby declares the District’s official intent to use a portion of the proceeds of the Bonds to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2.

Section 19. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the following vote of the members of the Board of Trustees of the National School District, of San Diego County, State of California, this 10th day of August 2016:

AYES:

NOES:

ABSENT:

ABSTAIN:

Brian Clapper, President of the Board of Trustees
National School District

ATTEST: _____
George Cameron, Secretary of the Board of Trustees
National School District

EXHIBIT A
BALLOT MEASURE
FULL TEXT OF MEASURE

To repair and rebuild aging classrooms and facilities throughout the District; meet handicapped access requirements; increase student access to computers /technology; repair roofs; and improve campus security and student loading zones for increased safety; shall National School District be authorized to issue \$30 million of bonds with interest rates below legal limits, annual audits, independent citizens' oversight, no money for administrative salaries and all funds spent locally and not taken by the State and used elsewhere?

Bonds—Yes

Bonds—No

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the measure, the National School District (the "District") will be authorized to issue and sell bonds of up to \$30 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

FINANCING PLAN

The District intends to use the Bonds to modernize, replace, renovate, construct, acquire and rebuild the District facilities on the Bond Project List. No series of Bonds will be issued if such issuance would cause the tax rate levied to pay debt service on all of the outstanding Bonds to exceed \$30 per year per \$100,000 of taxable property, based on projections made by the District at the time of issuance of such series of Bonds.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely.

Expenditures to address specific facility needs of the District will be 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 Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees of the District (the “Board of Trustees”) has identified detailed facility needs of the District and has determined which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens’ Oversight Committee. The Board of Trustees shall establish an Independent Citizens’ Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Board of Trustees.

Performance Audits. The Board of Trustees shall conduct 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 below.

Financial Audits. The Board of Trustees shall conduct 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 below.

Annual Report. The Assistant Superintendent, Business Services of the District will cause an annual report to be filed with the Board of Trustees, the first report to be filed not later than one year after the issuance of the first series of the bonds, which report will contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by applicable California law.

Expenditure of Bond Proceeds. The proceeds from the sale of the District’s bonds will be used only for the purposes specified in this measure, and not for any other purpose. Such proceeds will be deposited into a Project Fund to be held by the San Diego County Treasurer, as required by the California Education Code.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the school facilities projects on the Bond Project List below, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

BOND PROJECT LIST

Scope of Projects. The Bond Project List shown below is a part of the ballot measure and must be reproduced in any official document required to contain the full statement of the bond measure.

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire and rebuild the District's facilities as described in the following list. Whenever specific items are included in the following list, they are presented to provide an example and are not intended to limit the generality of the broader description of the types of authorized projects.

RENOVATION, MODERNIZATION, REPAIR AND CONSTRUCTION THROUGHOUT NATIONAL SCHOOL DISTRICT

The facilities and improvements to be financed by the bonds issued for the District include the modernization, replacement, renovation, construction, acquisition and other improvements to facilities, including furnishing and equipping, at school, classrooms and educational facilities throughout the District including but not limited to:

- Central School
- El Toyon School
- Ira Harbison School
- John Otis School
- Kimball School
- Las Palmas School
- Lincoln Acres School
- Olivewood School
- Palmer Way School
- Preschool Center
- Rancho de la Nacion School
- District Administration Center
- District Maintenance and Operations Office
- District CNS/Purchasing Warehouse

Such projects shall include but shall not be limited to:

- Upgrade the District's electrical systems to provide students with increased access to computers
- Improve student access to computers and modern technology
- Repair and rebuild aging classrooms and school facilities to meet health and safety requirements
- Install energy cost saving systems including but not limited to solar
- Upgrade and replace outdated heating, ventilation, and air-conditioning (HVAC) systems

- Meet handicap accessibility (ADA) requirements in restrooms, classrooms, and school sites
- Improve campus security by installing additional lighting, fencing, and security cameras
- Reconstruct and add staff and parent parking
- Reconstruction and reconfiguration of loading and unloading zones for student safety
- Renovate and expand libraries at schools
- Repair and replace roofs
- Reconstruct, renovate, and add restrooms and plumbing in facilities throughout the District
- Improve athletic playfields
- Replace portable classrooms with permanent classrooms
- Renovate and modernize cafeteria and kitchens
- Acquire, renovate, and improve science labs, tech center, multi-purpose rooms, common areas and nurses offices
- Reconstruction and reconfiguration to provide flood protection at Kimball School
- Construct and install shade structures throughout the District.

Each of the bond projects described in this Bond Project List include all costs incidental but directly related to the specific projects described above. Such costs include, but are not limited to, demolition of existing structures, rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction, interim classrooms and facilities for students, administrators, and school functions but only to the extent such facilities are deemed necessary by the Board as a result of unforeseen conditions, addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act, access requirements of the Americans with Disabilities Act, costs of the election, bond issuance costs and project administration during the duration of such projects, including administration by District personnel.

For any project listed above with respect to construction at an existing District site, the District is authorized to identify an alternate site and/or acquire land for such purpose and construct the approved project at such site if the District has determined that the existing site does not satisfy any requirements of the Division of State Architect or other State laws, codes and regulations applicable to public school sites.

The order in which school facilities projects are listed above does not suggest an order of priority. Project priority will be determined by the District Board. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

Projects Subject to Available Funding. The foregoing list of projects is subject to the availability of adequate funding to the District. Approval of the bond measure does not

guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the 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.

EXHIBIT B
BALLOT MEASURE
ABBREVIATED FORM

To repair and rebuild aging classrooms and facilities throughout the District; meet handicapped access requirements; increase student access to computers /technology; repair roofs; and improve campus security and student loading zones for increased safety; shall National School District be authorized to issue \$30 million of bonds with interest rates below legal limits, annual audits, independent citizens' oversight, no money for administrative salaries and all funds spent locally and not taken by the State and used elsewhere?

Bonds—Yes

Bonds—No

EXHIBIT C

National School District Tax Rate Statement for Bond Measure __ Election to be held November 8, 2016

An election will be held in National School District (the "District") on November 8, 2016 to authorize the sale of \$30,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required 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 \$.03 per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate that would be required 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 \$.03 per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2041-42.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.03 per \$100 (\$30.00 per \$100,000) of assessed valuation.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$.02796 per \$100 (\$27.96 per \$100,000) of assessed valuation.
5. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$38,685,000.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: _____, 2016

Chris Carson
Assistant Superintendent of Business Services
National School District

CERTIFICATION

SECRETARY CERTIFICATE

I, George Cameron, Secretary of the Board of Trustees of the National School District, San Diego County, State of California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 16-17.02 duly approved and adopted by the Board of Trustees of the District at a Regular meeting held on August 10, 2016, of which meeting all the members of the Board of Trustees had due notice and at which a majority thereof were present, and that at the meeting the Resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

An agenda for the meeting was posted at least seventy-two (72) hours before the meeting at the offices of the District at 1500 N. Avenue, National City, CA, a location freely accessible to members of the public, and a brief description of the Resolution appeared on the agenda. I have carefully compared the foregoing Resolution with the original minutes of the meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original Resolution adopted at the meeting and entered in the minutes. The Resolution has not been amended, modified or rescinded since the date of its adoption and is now in full force and effect.

Date: August 10, 2016

George Cameron, Secretary of the Board of Trustees
National School District