

Alisal Union School District
Office of the Superintendent

Agenda Background Information Sheet

Board Meeting Date: December 14, 2016

Department: Business Services

Action Required: Yes

Board Goals: 4) Safe Schools

ITEM

Conduct a Public Hearing on Board of Trustees Resolution 1617-24, approving submission of a waiver request of the District Bonding Capacity Limitation to the State Board of Education.

BACKGROUND

The purpose of this action is to conduct all required actions for the purpose of obtaining authority for a waiver of the District's Bonding Capacity Limitation to the State Board of Education.

Voters granted the District authority to issue up to \$70 million in general obligation bonds during an election conducted November 8, 2016. However, due to the statutory limit (E.C. 15102) on District indebtedness of 1.25% of taxable property, as of July, 2016, only \$5 million in general obligation bonds may be issued by the District. Section 33050 provides for a waiver by the State Board of Education.

The District obtained several waivers under Education Code Section 33050 in the past.

District facility plans call for at least \$25 million in bond expenditure over the next two years.

In order to proceed with the waiver request, a public hearing must be held to allow the public to comment on the District's contemplated action to exceed the statutory Bonding Capacity Limitation.

RECOMMENDATION

The Superintendent recommends Board of Trustees conduct a Public Hearing on Board of Trustees Resolution 1617-24, approving submission of a waiver request of the District Bonding Capacity Limitation to the State Board of Education.

Submitted By: Jim Koenig, Associate Superintendent

Date: December 6, 2016

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Alisal Union School District ("District") will hold a public hearing on the matter of seeking waiver from the State Board of Education, pursuant to the requirements of California Education Code section 33050, relating to its available bonding capacity for general obligation bonds of the District. As specifically authorized by Measure "M," the District seeks a waiver from the State Board on its net available bonding capacity in order to issue the \$70,000,000 in bond authorization approved by the voters under Measure "M" on November 8, 2016.

The hearing will be held at 6:00 p.m., or as soon thereafter as the matter may be heard, on December 14, 2016, at the District's Jesse G. Sánchez Elementary School (Sánchez Education Center) located at 901 North Sanborn Road, Salinas, CA 93905.

Please contact Jim Koenig, Associate Superintendent of Business Services, at (831) 753-5700 ext. 2033 if you have questions about this matter or desire more information prior to the public hearing.

Fernando Mercado,
Clerk of the Board of Trustees,
Alisal Union School District

REQUEST TO ADDRESS THE GOVERNING BOARD: If you plan to address the Board during the Hearing, you may submit a "Request to address the Governing Board" card at the beginning of the meeting. Individuals will be called to the podium in the order received.

Dated: December 6, 2016.

Alisal Union School District
Office of the Superintendent

Agenda Background Information Sheet

Board Meeting Date: December 14, 2016

Department: Business Services

Action Required: Yes

Board Goals: 4) Safe Schools

ITEM

Approve Board of Trustees Resolution Number 1617-24, approving submission of a waiver request of the Alisal Union School District Bonding Capacity Limitation to the State Board of Education

BACKGROUND

The purpose of this action is to support the District's facilities program by granting staff authority to submit a waiver of the District's Bonding Capacity Limitation to the State Board of Education.

Voters granted the District authority to issue up to \$70 million in general obligation bonds during an election conducted November 8, 2016. However, due to the statutory limit (E.C. 15102) on District indebtedness of 1.25% of taxable property, as of July, 2016, only \$5 million in general obligation bonds may be issued by the District. Section 33050 provides for a waiver by the State Board of Education.

The District obtained several waivers under Education Code Section 33050 in the past.

District facility plans call for over \$25 to \$40 million in bond expenditure over the next two years.

Approval of this resolution will allow the waiver request to go forward.

RECOMMENDATION

The Superintendent recommends Board of Trustees approve Alisal Union School District Resolution Number 1617-24, which provides for submission of a waiver request of the District Bonding Capacity Limitation to the State Board of Education.

Submitted By: Jim Koenig, Associate Superintendent

Date: December 6, 2016

RESOLUTION NO. 1617-24

RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALISAL UNION SCHOOL DISTRICT REQUESTING THE STATE BOARD OF EDUCATION TO WAIVE THE DISTRICT'S STATUTORY BONDING LIMIT

WHEREAS, pursuant to section 33050 *et seq.* of the California Education Code (the "Education Code"), the governing board of a school district, on a districtwide basis or on behalf of one or more of its schools or programs, after a public hearing on the matter, may request the State Board of Education to waive all or part of any section of the Education Code or any regulation adopted by the State Board of Education that implements a provision of the Education Code that may be waived, except for certain specified provisions of the Education Code set forth in Education Code section 33050(a); and

WHEREAS, under Education Code section 15102, bonds of a school district, other than a unified school district, may be issued in amounts up to a statutory bonding limit of 1.25% of the district's assessed valuation, as calculated by the county assessor; and

WHEREAS, an election was duly called and regularly held in the Alisal Union School District (the "District"), County of Monterey, California, on November 8, 2016, at which the following proposition (as abbreviated pursuant to section 13247 of the California Elections Code) was submitted to the electors of the District as Measure "M" (the "Bond Measure"):

"To repair/modernize neighborhood school classrooms, facilities, and technology infrastructure supporting programs in reading, math, science and arts; improve disabled student access; repair/replace fire safety, plumbing and electrical systems; with funding that cannot be taken by the State; shall Alisal Union School District rebuild Fremont Elementary School and Alisal Community School and construct one new elementary school to relieve overcrowding and improve student learning; by issuing \$70 million in bonds at legal rates, with independent oversight, and no money for administrators?"

WHEREAS, The Bond Measure specifically authorizes the District to seek a waiver of the statutory bonding limit under Education Code section 15102, and issue authorized bonds in excess of the 1.25% limit; and

WHEREAS, more than seventy-three percent (73%) of the votes cast on the proposition were in favor of issuing the bonds and seeking a waiver of the statutory bonding limit; and

WHEREAS, the District's outstanding bonds from all ballot measures currently total approximately \$28,315,007, compared to a 2016-17 bonding capacity of \$34,964,002, resulting in a current net available bonding capacity of \$6,648,996; and

WHEREAS, under the Bond Measure, the District has all bonding authorization of \$70,000,000 remaining; and

WHEREAS, the statutory bonding limit will cause an indefinite delay until assessed valuation can grow or outstanding bonds can be paid down in a sufficient amount; and

WHEREAS, delaying issuance of the remaining bonds will foreseeably drive the Measure “M” program off schedule, and likely will result in significantly increased facilities improvement costs; and

WHEREAS, in order for the District to complete critical projects authorized by the Bond Measure in a timely and cost effective manner, the Board of Trustees has determined it is in the best interest of the District to seek a waiver of the statutory bonding limit from the State Board of Education; and

WHEREAS, the Board of Trustees has held a public hearing after due notice regarding the proposed request of a waiver of the statutory bonding limit from the State Board of Education; and

WHEREAS, the independent citizens’ oversight committee, established as required by the Bond Measure, has had an opportunity to review the request and provide feedback to the Board of Trustees with respect to the waiver request; and

WHEREAS, the exclusive representatives of employees, Alisal Teachers Association and California School Employees Association, Chapter #577, as provided in Chapter 10.7 (commencing with section 3540) of Division 4 of Title 1 of the Government Code, have had an opportunity to participate in the waiver process;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Alisal Union School District, as follows:

Section 1. All of the above recitals are true and correct and the Board of Trustees so finds.

Section 2. The Superintendent of the District, the Assistant Superintendent of Business Services, the other officers of the District, and Lozano Smith, LLP, as Bond Counsel (“Authorized Officers”) shall be and are authorized and directed to seek a waiver of the District’s statutory bonding limit from the State Board of Education sufficient for the District to issue all bonds remaining authorized but unissued under the Bond Measure and to work with the State Board of Education as required to document and support the waiver request.

Section 3. The Authorized Officers shall be and they are hereby authorized and directed to take such additional actions consistent with the intent of this Resolution in connection with the request for the waiver of the District’s statutory bonding limit from the State Board of Education, which any of them deem necessary and desirable to accomplish the purposes hereof.

Section 4. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 14th day of **December, 2016**, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

By: _____
Noemi Armenta
President of the Board of Trustees of the
Alisal Union School District

ATTEST:

By: _____
Fernando Mercado
Clerk of the Board of Trustees of the
Alisal Union School District

CLERK'S CERTIFICATE

I, Fernando Mercado, Clerk of the Board of Trustees of the Alisal Union School District, County of Monterey, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the 14th day of December, 2016, of which meeting all of the members of said Board of Trustees had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 901 N. Sanborn Rd., Salinas, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this **14th** day of **December, 2016**.

By: _____
Fernando Mercado
Clerk of the Board of Trustees of the
Alisal Union School District