

RESOLUTION NO. 2006-10

RESOLUTION OF THE BOARD OF TRUSTEES OF THE COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT ACTING AS THE LEGISLATIVE BODY OF THE COLLEGE OF THE SEQUOIAS HANFORD CAMPUS IMPROVEMENT DISTRICT NO. 1 OF THE COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Trustees (the “Board”) of the College of the Sequoias Community College District (the “District”) has determined that certain educational facilities and equipment within the boundaries of the College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District (the “Improvement District”), which include portions of Kings County (“Kings County”) and Tulare County (“Tulare County”), need to be constructed, renovated, and acquired to enable the District to maintain College of the Sequoias as a valuable community resource, to train and retrain local residents for higher-paying and skilled jobs, and to enhance the educational opportunities of the students in the District who desire to transfer to four-year universities; and

WHEREAS, the Board has determined that the addition of new classrooms, instructional laboratories and instructional equipment in Hanford and the establishment of the Hanford Campus is among the highest priorities of the Board; and

WHEREAS, notwithstanding ongoing efforts to obtain sufficient facility money from the State of California (the “State”), the State has been unable to provide the District with enough money for the District to adequately develop the Hanford Campus of the College of the Sequoias for all its students; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional funding for such facility, technology, and safety needs by means of a general obligation bond; and

WHEREAS, Proposition 46, approved by the voters of the State of California on June 3, 1986 (“Proposition 46”), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those ad valorem taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, Chapter 3, Part 10, Division 1, Title 1 (commencing with Section 15300) of the Education Code (the “Act”) provides that the Improvement District may call an election for the purpose of seeking voter approval for the issuance of general obligation bonds by the Improvement District; and

WHEREAS, the Boards of Supervisors of each of Kings County and Tulare County have adopted a resolution causing the provisions of the Act to be applicable within each of such counties; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which, as of its effective date, reduced the voter threshold for *ad valorem* tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a community college 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 which are contained in Proposition 39 and the Act; and

WHEREAS, the Board determines that the restrictions in Proposition 39, as interpreted by the Attorney General of the State of California, which prohibit any bond money to be used for administrator salaries and expenses be strictly enforced by a Citizens’ Oversight Committee; and

WHEREAS, the Board determines that the restrictions in Proposition 39 which prohibit any bond money to be used for administrator salaries and expenses be strictly enforced by a Citizens’ Oversight Committee; and

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

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

WHEREAS, pursuant to 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 November 7, 2006, and to request each of the Tulare County Registrar of Voters and the Kings County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request each of the Tulare County Registrar of Voters and the Kings County Registrar of Voters to call an election pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and sold on behalf of the Improvement District for purposes set forth below.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT ACTING AS THE LEGISLATIVE BODY OF THE COLLEGE OF THE SEQUOIAS HANFORD CAMPUS IMPROVEMENT DISTRICT NO. 1 OF THE COLLEGE OF THE SEQUOIAS COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.* (including Sections 15300 *et seq.*), Sections 15264 *et seq.* and Government Code Section 53506, hereby requests the Tulare County Registrar of Voters and the Kings County Registrar of Voters to call an election under the provisions of Proposition 39 and the Act and submit to the electors of the

Improvement District the question of whether bonds of the Improvement District in the aggregate principal amount not to exceed \$22 million (the “Bonds”) shall be issued and sold to raise money for the purposes described in Exhibits “A” and “B” hereto.

Section 2. That the date of the election shall be November 7, 2006.

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

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

(b) that the Board, in compliance with Proposition 39, and in establishing the projects set forth in Exhibit “B”, evaluated the safety, enrollment trends, class size, class availability, and information technology needs of the District;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibits “A” and “B” hereto;

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

(e) that the Board will cause the appointment of 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;

(f) 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 Improvement District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15340 *et seq.* and 15264 *et seq.* and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Section 5322 of the Education Code.

Section 6. That the Tulare County Registrar of Voters, the Tulare County Board of Supervisors, the Kings County Registrar of Voters and the Kings County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 7, 2006 within the Improvement District.

Section 7. That this Resolution shall stand as the “order of election” to each of the Tulare County Registrar of Voters and the Kings County Registrar of Voters to call an election within the boundaries of the Improvement District on November 7, 2006.

Section 8. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Tulare County Registrar of Voters and the Kings County Registrar of Voters no later than August 1, 2006.

Section 9. That the maturity of any Bonds issued pursuant to Section 15300 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to Section 53506 of the Government Code shall have a maturity of not exceeding forty (40) years. 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. The Board approves the Tax Rate Statement on file with the Secretary and directs its publication in accordance with the requirements of the Elections Code.

Section 10. 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 be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation.

Section 11. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of each of Tulare County and Kings County are requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse each of Tulare County and Kings 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 Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 17th day of July, 2006.

BOARD OF TRUSTEES OF THE COLLEGE OF
THE SEQUOIAS COMMUNITY COLLEGE
DISTRICT ACTING AS THE LEGISLATIVE
BODY OF THE COLLEGE OF THE SEQUOIAS
HANFORD CAMPUS IMPROVEMENT DISTRICT
NO. 1 OF THE COLLEGE OF THE SEQUOIAS
COMMUNITY COLLEGE DISTRICT

By s/John A. Zumwalt

John Zumwalt, President

Attest:

s/Earl Mann

Earl Mann, Clerk

STATE OF CALIFORNIA)
)ss
TULARE COUNTY)

I, William T. Scroggins, do hereby certify that the foregoing is a true and correct copy of Resolution No. 2006-10, which was duly adopted by the Board of Trustees of the College of the Sequoias Community College District acting as the legislative body of the College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District at meeting thereof held on the 17th day of July, 2006, and that it was so adopted by the following vote:

AYES: Trustees Cardoza, Line, Mann, Shannon and Zumwalt

NOES: None

ABSENT: None

ABSTENTIONS: None

By s/William T. Scroggins

William T. Scroggins, Secretary

EXHIBIT A

“College of the Sequoias Hanford Campus Measure: To build a permanent educational center in Hanford, prepare students for skilled jobs and university transfer, train nurses, public safety officers, firefighters by acquiring, constructing and equipping buildings, sites, libraries, permanent classrooms, science and computer labs, facilities for public safety and vocational training programs, shall the College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District issue \$22 million in bonds, at legal rates, with citizen oversight, guaranteed annual audits, no money for administrators’ salaries?”

Bonds - Yes

Bonds – No

EXHIBIT B
FULL TEXT BALLOT PROPOSITION
COLLEGE OF THE SEQUOIAS HANFORD CAMPUS
IMPROVEMENT DISTRICT NO. 1 OF THE COLLEGE OF THE SEQUOIAS COMMUNITY
COLLEGE DISTRICT
BOND MEASURE ELECTION NOVEMBER 7, 2006

The following is the full proposition presented to the voters of the College of the Sequoias Handford Campus Improvement District No. 1 of the College of the Sequoias Community College District.

“College of the Sequoias Hanford Campus Measure: To build a permanent educational center in Hanford, prepare students for skilled jobs and university transfer, train nurses, public safety officers, firefighters by acquiring, constructing and equipping buildings, sites, libraries, permanent classrooms, science and computer labs, facilities for public safety and vocational training programs, shall the College of the Sequoias Hanford Campus Improvement District No. 1 of the College of the Sequoias Community College District issue \$22 million in bonds, at legal rates, with citizen oversight, guaranteed annual audits, no money for administrators’ salaries?”

Bonds – Yes

Bonds – No

PROJECTS

The Board of Trustees of the College of the Sequoias District evaluated the District’s urgent and critical facility needs in the Hanford area, including safety issues, class size reduction and computer technology, in developing the scope of projects to be funded.

The Projects to be financed by the Improvement District include the acquisition of land, installation of infrastructure thereon, the construction of classrooms and student support facilities, the acquisition of various types of equipment and computer technology, and all architectural, engineering and related construction, planning and environmental expenses associated therewith. Listed building projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The allocation of bond proceeds will be affected by the District’s receipt of State bond funds and the final costs of each project. 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 are finalized, construction bids are awarded, and projects are completed.

FISCAL ACCOUNTABILITY. 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 COLLEGE FACILITIES, INCLUDING THE FURNISHINGS AND EQUIPMENT, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.