

LUTHER BURBANK SCHOOL DISTRICT
SAN JOSE, CALIFORNIA

RESOLUTION NUMBER 06-12-18-03

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
LUTHER BURBANK SCHOOL DISTRICT ORDERING AN ELECTION
TO AUTHORIZE THE ISSUANCE OF \$10 MILLION IN GENERAL
OBLIGATION BONDS, ESTABLISHING SPECIFICATIONS OF THE
ELECTION ORDER, AND REQUESTING CONSOLIDATION WITH
OTHER ELECTIONS OCCURRING ON NOVEMBER 6, 2018**

WHEREAS, in the judgment of the Board of Trustees (the “Board”) of the Luther Burbank School District (the “District”), it is advisable to call an election to submit to the electors of the District the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the acquisition and construction of school facilities; and

WHEREAS, the Board is authorized to pursue the authorization and issuance of bonds for the acquisition or improvement of real property by a two-thirds vote of the electorate on the question whether bonds of the District shall be issued and sold, under Education Code Section 15100 *et seq.* (the “Act”) and Article XIII A Section 1 paragraph (b) subsection (2) of the California Constitution (“Article XIII A”); and

WHEREAS, the Board desires to call an election in the District on November 6, 2018, which is the date of the statewide general election, pursuant to the Act and Article XIII A and, pursuant to Section 10403 of the California Elections Code, to request consolidation with any and all other elections held in the District on such date, and to request the Registrar of Voters of the County of Santa Clara (the “County”) to perform election services for the District; and

WHEREAS, in connection with the calling of a bond election and in accordance with Education Code Section 15100(c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections of assessed property valuations made by the Santa Clara County assessor, if any; and

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE LUTHER BURBANK SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 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 maximum principal amount of \$10,000,000 for the purposes described in the ballot measure approved under Section 3 and attached hereto as Appendix A, 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. Election Date. The date of the election shall be November 6, 2018, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District’s last election.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a single proposition which is attached hereto as Appendix A, containing the question of whether the District shall issue the Bonds for the purposes stated therein. In accordance with Education Code Section 5322, the exact wording of the measure as it is to appear on the ballot is set forth on Appendix A. The County Registrar shall assign a measure designation to the measure.

The President of the Board and the Superintendent are hereby separately authorized and directed by the Board to make any changes to the text of the ballot measure appearing on Appendix A hereto in order to conform to any changes in law or requests of the County Registrar, or upon the advice of legal counsel, by written direction provided to the County Registrar. Additionally, the President of the Board and Superintendent are hereby authorized to include a full ballot text, which includes a project list, if needed. Such authority expressly extends to changes to the 75-word statement of the measure resulting from an amendment or suspension of the provisions of Elections Code Section 13119 which may become effective after the date of adoption of this Resolution, and prior to the date that the ballot materials are prepared.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15100 *et. seq.* of the Education Code and Section 1 paragraph (b) subsection (2) of Article XIII A which authorizes the issuance of bonded indebtedness secured by *ad valorem* property taxes upon a two-thirds vote of the votes cast on the measure. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. Accountability Requirements. As required by Government Code Section 53410, the Board hereby confirms that: (a) the specific purposes of the bonds are set forth in the measure as presented in Appendix A hereto, (b) the proceeds of the bonds will only be spent on the purposes stated in the measure presented in Appendix A hereto, (c) if the measure is successful and bonds are issued, the District will cause to be created a segregated account into which the proceeds of the bonds shall be deposited, and (d) following the issuance of bonds, the Chief Business Official of the District shall annually file a report with the District Board, which report shall be available to the public, identifying the amount of bond proceeds collected and expended and the status of the bond projects.

Section 6. No Teacher or Administrator Salaries. Proceeds from the sale of the general obligation bonds authorized by the bond measure shall be used only for the acquisition or improvement of real property pursuant to Article XIII A and the Act, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Section 7. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the Santa Clara County Registrar of Voters (the "County Registrar") and (2) the Santa Clara County Clerk of the Board of Supervisors for the purpose of consolidation. 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.

The County Registrar is hereby requested to prepare the ballot as it appears on Appendix A hereto and to publish all notices related to the election, including notices of argument filing deadlines, as required by law.

Section 8. Consolidation of Election; Request to Provide Services. The County Registrar and the Santa Clara County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 6, 2018 within the

District. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Santa Clara County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Santa Clara County in full from District its funds upon presentation of a bill from the County, such services to include the publication and/or posting of all required election notices and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

Section 9. Approval of Tax Rate Statement. Pursuant to Elections Code Section 9401, a tax rate statement has been prepared in the form attached hereto as Appendix B, which form of Tax Rate Statement is hereby approved for inclusion in the materials provided to voters. The President of the Board, the Superintendent, the Chief Business Official, or any written designee of the foregoing, are hereby separately authorized and directed to execute the Tax Rate Statement, and to file said statement with the County Registrar, in accordance with Section 8 hereof. The Board hereby finds that the estimates and projects contained in the Tax Rate Statement and in the measure as presented on Appendix A have been made based on currently available information, but depend on a number of variables which are subject to variation. Such estimates and projections have been made in good faith, and are not binding or intended to be limitations on the terms of the bonds.

Section 10. Ballot Arguments. As provided in Elections Code Section 9501, 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.

Section 11. Maturity Limit of Bonds. The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 12. Engagement of Professional Services. The Superintendent is authorized and directed to execute the agreements on file with the financial advisory firm of Caldwell Flores Winters Inc. and the law firm of Jones Hall, A Professional Law Corporation, which firms are hereby appointed to perform financial advisory and bond counsel and disclosure counsel services, respectively, in connection with the Bonds.

Section 13. Effective Date. This resolution shall take effect on and after its adoption.

* * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Luther Burbank School District of Santa Clara County, being the Board authorized by law to make the designations therein contained by the following vote, on June 12, 2018.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Meghan Weisler, President of the Board

Attest:

By: _____
Liz Espinoza, Clerk of the Board

APPENDIX A

BALLOT MEASURE

To replace the Luther Burbank School District's main building with a modern, state-of-the-art facility to provide students with a safe, secure, 21st century learning environment, and provide the local match for State grants, shall the District's measure authorizing \$10,000,000 in bonds at legal rates, raising an average of \$685,000 annually to repay bonds through final maturity from levies of approximately 8.8 cents per \$100 of assessed valuation, and no money for administrator salaries, be adopted?

APPENDIX B
TAX RATE STATEMENT
REGARDING PROPOSED
\$10 MILLION
LUTHER BURBANK SCHOOL DISTRICT
GENERAL OBLIGATION BONDS

An election will be held in the Luther Burbank School District (the “District”) on November 6, 2018, to authorize the sale of up to \$10 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District’s assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.088 per \$100 of assessed valuation (or \$88.00 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is fiscal year 2048-49.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, which is estimated to apply starting in fiscal year 2019-20, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.088 per \$100 of assessed valuation (or \$88.00 per \$100,000 of assessed value).
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$20.53 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County’s official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner’s exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property’s assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project

funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

By: _____
Dr. Christopher Ortiz, Superintendent
Luther Burbank School District