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Nevada County
Clerk-Recorder/Registrar of Voters

Supplemental Voter Information Guide

*For Measure D – Grass Valley Elementary School
District Bond Measure*

Statewide Direct Primary Election

Tuesday, June 5, 2018

The Voter Information Guide you received for the June 5, 2018 Statewide Direct Primary Election is missing information pertaining to Measure D for the Grass Valley Elementary School District Bond Measure. Inside is the information that is missing.

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FULL TEXT OF BOND MEASURE

INTRODUCTION

To repair aging classrooms / leaky roofs / old facilities, and provide a safe, quality learning environment for current and future students, shall Grass Valley Elementary School District's measure to issue \$18.8 million in bonds at legal interest rates, with projected tax rates of 2.4¢ per \$100 of assessed property valuation while bonds are outstanding (averaging approximately \$1.05 million annually), and requiring audits / oversight, all funds spent locally on elementary / middle schools, and no money for administrators' salaries / pensions be adopted?

BACKGROUND

Grass Valley Elementary School District was formed more than 150 years ago, and has the oldest school buildings in Nevada County and the oldest continuously operated school site in California. The District has taken care of classrooms and facilities for decades, successfully utilizing many resources, including our own operating budget and developer fees, but the District's schools are aging, and require repairs and maintenance, as well as upgrades and modernization, to provide the education District students deserve in a safe and modern environment.

Over the last number of years, numerous meetings at our school sites were held to develop and refine our Facilities Master Plan. Considerable input from staff, parents and the community helped refine the needs lists and shape the District's priorities.

To address our needs, the District has sought potential funding sources (the State, philanthropy, etc.). However, even if the District received all available resources (some of which require a local 'match'), many facilities needs would remain unaddressed. As such, for the first time since 1967, the District is requesting local funding through the authorization of general obligation bonds to fund such needs.

BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$18.8 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List included below, subject to all the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities 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 School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List included below.

Independent Citizens' Oversight Committee. Following approval of this measure, the School Board will establish an independent citizens' oversight committee, under California Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of 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 School Board.

Performance Audits. The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Nevada County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall 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 Sections 53410 and 53411 of the Government Code.

No Capital Appreciation Bonds. The Bonds shall be issued only as current interest bonds, and NOT as capital appreciation bonds.

Responsible Repayment Cost. The repayment ratio of the bonds will be no more than 2.5 to 1, meaning each dollar of bonds sold will cost taxpayers no more than \$2.50 to repay, including interest.

Additional Sources of Funding. The District will use a portion its own operating budget to meet some of the needs and attempt to gain additional State facilities funding to further improve Grass Valley elementary and middle schools.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT

This measure authorizes the issuance of general obligation bonds to finance the types of projects set forth on the Bond Project List set forth below, to be repaid by tax collections for the years that bonds are outstanding. The measure presented to District voters on the ballot, as set forth above under the heading "INTRODUCTION", includes information regarding the expected approximate amount of money to be raised annually to pay issued bonds, the estimated rate of the approved tax per \$100 of assessed valuation, and the year through which it is approximated that the proposed tax will be levied and collected. Each of these estimates and approximations are provided as informational only. Such amounts are estimates only, and are not maximum amounts or limitations on the terms of the bonds or the tax rate or duration supporting repayment of bonds. The approximations and estimates provided depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, the timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations have been provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District.

BOND PROJECT LIST

The Bond Project List below describes the specific types of projects the Grass Valley Elementary School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond

proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed.

Unless otherwise noted, the projects in this Bond Project List are authorized to be completed at each or any of the District's sites, as shall be approved by the Board of Trustees.

The types of projects authorized by this measure are:

- Repair aging classrooms and restrooms
- Provide clean and safe classrooms, and a quality learning environment for current and future students
- Repair or replace leaky roofs
- Make health and safety improvements
- Improve technology infrastructure, electrical systems and wiring for computers and Internet access, including tel-com and sound systems
- Make facility improvements to increase the District's energy efficiency, including replacing outdated and inefficient windows, lighting, air conditioning and heating systems
- Repair and upgrade utilities, infrastructure and grounds, including outdated heating, plumbing, and electrical systems, water pipes, gas lines, sidewalks and fencing
- Repair or replace retaining walls
- Upgrade deteriorating flooring and construct additional storage
- Renovate outdated school facilities and/or construct new facilities
- Make other basic repairs at all District schools
- Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including but not limited to site access, parking access, staff and student restroom access, relocation of certain existing electrical devices and drinking fountain and playground equipment accessibility
- Abate and remove hazardous materials identified prior or during construction (e.g. lead, asbestos, etc.)
- Address unforeseen conditions and latent defects in materials revealed by these projects (e.g. dry rot, structural, etc.)
- Perform necessary site preparation/restoration in connection with repairs or remodeling
- Make other improvements to classrooms and construct additional new facilities throughout the District, if State Aid becomes available

Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the construction, repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: upgrade of facilities for energy efficiencies; repair and replacement of windows, walls, doors and drinking fountains; installation wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades of support facilities, physical education/athletic facilities and maintenance yards; construction or renovation of multi-use facilities; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing of hard courts, turf and irrigation systems and campus landscaping and play fields; improve access to school site; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces, bleachers, kitchens, repair, upgrade and install interior and exterior lighting systems. The upgrading of technology infrastructure includes, but is not limited to, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, display technology, projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District, such as fields and performing arts facilities, may be undertaken as joint use projects in cooperation with other local public or non-profit agencies if State matching funds are received. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. 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 bond projects and the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which

proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

TAX RATE STATEMENT

An election will be held in the Grass Valley Elementary School District (the "District") on June 5, 2018 to authorize the sale of up to \$18,800,000 in general obligation bonds. The following information is submitted 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 that would be required to fund this bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is 2.4¢ per \$100 (\$24.00 per \$100,000) of assessed valuation in fiscal year 2018-19. It is currently expected that the tax will be collected until fiscal year 2050-51.

2. 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 2.4¢ per \$100 (\$24.00 per \$100,000) of assessed valuation. This rate is projected to apply in each fiscal year that the bonds are outstanding.

3. The best estimate of total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold will be approximately \$34.3 million.

These estimates are based on projections derived from information obtained from official sources, and are 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 durations and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary depending on the timing of bond sales, the par 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 District based on the need for project funds and other considerations. Actual 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.

Superintendent
Grass Valley Elementary School District

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