

**NATOMAS UNIFIED SCHOOL DISTRICT
MEASURE L**

L “To enhance quality education in Natomas, increasing student safety/security, upgrading classrooms for 21st century learning and college/career readiness with technology/equipment, upgrading aging infrastructure/utilities and repairing/constructing facilities, shall Natomas Unified School District issue \$172,000,000 of bonds with an estimated \$11,000,000 in taxes raised annually on average for 32 years at maximum projected tax rates of 6¢ per \$100 of assessed valuation with citizen oversight, annual audits and no money for administrators’ salaries/pensions?”

IMPARTIAL ANALYSIS OF MEASURE L

Prepared by County Counsel

Measure L, if approved by the voters, would allow the Natomas Unified School District (“District”) to incur bonded indebtedness up to a maximum amount of \$172,000,000. The proceeds from the issuance and sale of such general obligation bonds could only be used for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

No funds derived from bond sales may be used for general school operating expenses, including administrator and teacher salaries, or for any purpose or project other than those expressly stated in the measure. Measure L lists the school facility improvement projects within the District intended to be financed by bond sales.

To assure that funds are spent only as specified in the measure, Measure L requires: 1) the appointment of a citizen’s oversight committee and 2) completion of annual independent performance and financial audits.

If Measure L is passed, the actual dates of sale and the amount of bonds sold would be governed by the District based on the need for construction funds and other factors. If Measure L is approved, the tax rates necessary for payment of principal and interest on any bonds sold will be largely dictated by the timing of the bond sales, the amount sold at a given sale, market interest rates at the time of each sale (although in no event greater than the maximum bond interest rate allowed by law), as well as actual assessed valuation of taxable property in the District over the term of repayment.

Passage of Measure L requires approval by 55% of the voters voting thereon.

A “YES” vote on Measure L means you wish to allow the District to incur bonded indebtedness.

A “NO” vote on Measure L means you do not wish to allow the District to incur bonded indebtedness.

*****YOU CAN FIND THE MEASURE ARGUMENTS FOLLOWING THE FULL TEXT OF THIS MEASURE*****

FULL TEXT OF MEASURE L

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$172,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A, subject to all of the accountability safeguards specified below. Bonds will be issued in one or more series.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address the specific facilities needs of the District, 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 section 15264 *et seq.* of the California Education Code).

Evaluation of Needs. The Board has updated its Facilities Master Plan in order to evaluate and address all of the facilities needs of the District, and to determine which projects to finance from a local bond at this time. The Board hereby certifies that it has evaluated safety, class size reduction and information technology and other needs in developing the Bond Project List contained in Exhibit A.

Independent Citizens' Oversight Committee. The Board shall establish an independent Citizens' Oversight Committee (section 15278 *et seq.* of the California Education Code), to ensure bond proceeds are expended only for the school facilities projects listed in Exhibit A. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Annual Performance Audits. The Board shall cause an annual, independent performance audit to be conducted to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A.

Annual Financial Audits. The Board shall cause an annual, independent financial audit of the bond proceeds to be conducted until all of those proceeds have been spent for the school facilities projects listed in Exhibit A.

BOND PROJECT LIST

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

The Bond Project List, which is an integral part of this proposition, lists the specific projects the District proposes to finance with proceeds of the Bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to section 15100 of the California Education Code, and all the purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to section 53410 of the California Government Code.

Covenant to Forfeit Measure D (2006). Upon passage of this measure and the issuance of any Bonds authorized hereunder, the District covenants that it will not issue any bonds pursuant to the authorization remaining under Measure D (2006) and shall consider such authorization forfeit, null and void.

EXHIBIT A

NATOMAS UNIFIED SCHOOL DISTRICT

BOND PROJECT LIST

Safety and Security, including fire protection systems, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, fencing, and earthquake retrofitting.

Improving Accessibility for Students with Disabilities, to help ensure that all schools are accessible.

21st Century Learning Classroom Improvements, including building and space layout configuration, furniture, technology, and equipment, but specifically excluding laptops and tablets, to allow for student collaboration, teamwork, and expanded learning methods.

Repair and Upgrade Classrooms, Labs, and Schools, including roofs, walls, windows, doors, floors, and ceilings.

Classroom, Lab, and School Construction for enhancing education including college preparatory education, career and technical education, science, technology, engineering, arts, and math education.

Basic Infrastructure and Utilities, including electrical systems and wiring for computer technology and internet access, plumbing and restrooms, sewer, gas, electrical, water, storm drainage, HVAC systems, and energy efficiency systems.

Landscape and Hardscape Improvements and Repairs, including irrigation systems, fields, playgrounds, courtyards, quads, trees, and shade structures.

Student and Staff Support Facilities, including libraries, student union, student services, and administration facilities.

District/City of Sacramento Joint Use Aquatics Facility adjacent to Inderkum High School.

Joint Use Facilities with neighboring school district(s) / agency(ies).

Acquisition of New School Sites.

New Schools/Buildings Construction Based on Continued Growth (New High School, New Elementary, and or New K-8 School).

Prepay COPs. Prepay certificates of participation issued to finance school facilities intended to be funded with general obligation bonds but required prior to the availability of bond proceeds to avoid increased interest rates, increasing construction costs, and address growth needs sooner.

The following sites are planned to receive some of the improvements described above:

- American Lakes School
- Bannon Creek School
- Discovery High School
- H. Allen Hight Elementary School
- Heron School

- Inderkum High School
- Jefferson School
- Leroy Greene Academy
- Natomas Charter School (including STAR Academy)
- Natomas High School
- Natomas Middle School
- Natomas Park Elementary School
- Natomas USD Education Center
- Natomas Pacific Pathways Prep (Elementary, Middle, and High)
- Paso Verde School
- Two Rivers Elementary School
- Westlake Charter School
- Witter Ranch Elementary School
- Other District owned school sites

Each project is assumed to include its share of costs of the bond issuance, architectural, engineering, and similar planning costs, furniture, equipment, construction management, and a customary contingency for design and construction costs. Projects may also include the preparation of 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 bond projects. Necessary site preparation/restoration and landscaping 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, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

For any project involving modernization or renovation of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction if the Board of Trustees determines that replacement and new construction is economically more practical.

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. Based on the final costs of each project, certain of the projects described above may be delayed or may not be performed.

Bond proceeds shall be expended only for the specific purposes identified herein. 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 the bond projects, but not for other administrator or teacher salaries. 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.

In order to maximize the effectiveness of the bond proceeds in meeting the need for public school facilities, charter schools receiving allocations of bond proceeds shall have the greatest amount of flexibility possible to lease, purchase, develop, and finance charter school facilities so as long as consistent with State laws applicable to charter school facilities projects and Board approval.

TAX RATE STATEMENT

An election will be held in the Natomas Unified School District (the "District") on November 6, 2018, to authorize the sale of up to \$172,000,000 in bonds of the District for the specific school facilities projects listed in the Bond Project List established by the District, as described in the proposition. If the bonds are authorized and a State bonding capacity

waiver is received, the District expects to sell the bonds in two or more series. Principal and interest on the bonds will be payable from the proceeds of 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.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund that bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 5.07 cents per \$100 of assessed valuation (\$50.65 per \$100,000 of assessed valuation) of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2050-51.

2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 5.84 cents per \$100 of assessed valuation (\$58.43 per \$100,000 of assessed valuation) of all property to be taxed. The best estimate of the year in which the highest tax rate will apply is anticipated to be 2019-20.

3. The best estimate from official sources 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 \$ 353 million. This estimate results in a debt service to principal ratio of 2.05 to1, which is significantly less than the maximum ratio of 4.00 to1 allowed by State law.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on Sacramento County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the Sacramento County Assessor in the annual assessment and the equalization process.

Dated: July 18, 2018

s/Chris Evans
Superintendent, Natomas Unified School District

ARGUMENT IN FAVOR OF MEASURE L

Measure L will provide needed funding to Natomas schools-to improve safety and security, bring up to date technology to our classrooms, make needed repairs and improvements and ensure we have enough classrooms and schools to meet a growing population.

Twenty-first century jobs and careers require current technology and training. This measure will upgrade our classrooms and science and computer labs to provide access for all students to updated technology, preparing them for college and the jobs of the future.

The Natomas area is growing and so is school enrollment. Measure L will allow our community to build new classrooms and schools when needed to reduce class size and overcrowding.

Yes on Measure L authorizes \$172 million in bond funds for all Natomas Unified schools. School improvements will include: improving security and safety, including fire safety and asbestos and lead paint removal, updating classroom technology for 21st Century learning, updating electrical systems and wiring for computer technology and internet access, and modernizing science and technology labs.

Yes on Measure L will ensure that all schools are accessible for students with disabilities. It will repair deteriorating classrooms, libraries, roofing, and restrooms, and provide facilities for career and college preparation.

Measure L includes strict accountability such as: annual audits, a citizens' oversight committee that will review all expenditures, and a guarantee that no funds will be spent on administration, salaries, or pensions.

Join parents and teachers, principals, police and firefighters, local business owners, and community leaders throughout Natomas. Vote Yes on Measure L.

s/Angelique Ashby
Councilwoman, City of Sacramento

s/Phil Serna
Supervisor, Sacramento County

s/Dustin Johnson
Trustee, Los Rios Community College

s/Dr. Susan Heredia
Trustee, Natomas Unified School District

s/Tom Rutten
Executive Director, Natomas Pacific Pathways Prep

NO ARGUMENT AGAINST MEASURE L WAS FILED