

ARCOHE UNION SCHOOL DISTRICT

MEASURE M

ARCOHE UNION SCHOOL DISTRICT CLEAN, SAFE CLASSROOM MEASURE.

To provide clean/safe classrooms; provide science/engineering/technology/agricultural education labs; prevent overcrowded classrooms; continue to provide safe drinking water; improve safety/security; improve disabled accessibility; to provide high-quality education, retain/attract quality teachers, shall Arcohe Union School District's measure authorizing \$5,800,000 in bonds at legal rates, levying 3¢ per \$100 of assessed valuation, raising \$451,000 annually while bonds are outstanding, be adopted, requiring audits, public oversight/ spending disclosure, funds controlled locally?

IMPARTIAL ANALYSIS OF MEASURE M

Prepared by County Counsel

The California Constitution and Education Code authorize school districts to issue bonds for specified purposes if approved by the voters within district boundaries. Measure M was placed on the ballot by the governing board of the Arcohe Union School District ("District"). If approved, Measure M would allow the District to incur bonded indebtedness up to a maximum amount of \$5,800,000. The proceeds from the issuance and sale of such general obligation bonds could only be used for the acquisition, construction, reconstruction, rehabilitation, replacement, furnishing, and equipping of school facilities of the District. Measure M lists the specific school facilities projects that the District intends to finance by the proposed bond sales.

No funds derived from bond sales may be used for general school operating expenses, including administrator and teacher salaries or pensions, or for any purpose or project other than those expressly stated in the measure.

To ensure that funds are spent only as specified in the measure, Measure M requires: 1) the appointment of a citizen's oversight committee; 2) completion of annual independent performance and financial audits; and 3) submission of an annual status report to the Board of the District.

If Measure M 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 M is approved, the tax rates necessary for payment of principal and interest on any bonds sold will largely be 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. The District's Tax Rate Statement contains the best estimates of tax rates required to service the bond debt. The District estimates the average annual tax rate levy to fund this bond is \$29.50 per \$100,000 of assessed valuation. The final fiscal year in which the tax is anticipated to be collected will be 2049-50. The District estimates that the total amount repayable during the life of the bond, including principal and interest, is approximately \$11,339,596.

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

A "YES" vote on Measure M means you wish to allow the District to issue bonds in an amount not to exceed \$5.8 million dollars.

A “NO” vote on Measure M means you do not wish to allow the District to issue the proposed bonds.

Approval of this bond measure does not guarantee that the proposed projects in the Arcohe Union School District that are the subject of bonds under this measure will be funded beyond the local revenues generated by this bond measure. The District’s proposal for certain of the projects assumes the receipt of matching state funds, which are subject to appropriation by the Legislature or approval of a statewide bond measure.

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

FULL TEXT OF BOND MEASURE

INTRODUCTION

The Arcohe Union School District serves Herald and the surrounding communities, located in the between the Consumnes River and Dry Creek, northeast of the twin cities/Galt area, in Sacramento County. The District houses approximately 500 students at its single elementary school campus, the Arcohe School.

The District is dedicated to serving the community and offering an excellent education for the community’s elementary-aged students. The Arcohe School campus is aging and, due to increased enrollment, is nearing capacity. It is critical that the District increase space in order to adequately house all of its students. The community has a critical and increasing need of educational facilities and infrastructure, to provide the additional classroom space and other facilities and technology need to support high-quality instruction in math, science, and agriculture. In addition to classroom expansion, the school is also in critical need of renovation and improvement, in order to upgrade equipment, retrofit for safety and security, upgrade fire safety systems, increase access, repair or replace deteriorating and leaky roofs, and old plumbing, sewer, heating, ventilation, and electrical systems.

Beyond repairing, expanding, and upgrading the Arcohe School, the District is exploring options for partnering with the County to develop a joint-use community center which would include educational purposes.

Dedicated funding is required to meet these needs and provide safe, updated classrooms and facilities needed to support high-quality instruction to all students in our District.

Asking the District’s voters to approve a general obligation bond is a necessary step to securing both local and state funding. The State of California requires a local match, funded primarily through local general obligation bonds, for school districts wishing to pursue matching state funds for the upgrade or replacement of school buildings and facilities. The millions of dollars potentially available through the State match allows local taxpayers to benefit from the tax dollars they already pay to Sacramento.

It is imperative that our students are housed in safe, complete, comprehensive, and efficient facilities. We need to act locally to build, upgrade, and refurbish safe, clean, and modern schools to ensure our students have the educational opportunities they deserve.

ARCOHE UNION SCHOOL DISTRICT CLEAN, SAFE CLASSROOM MEASURE.

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As required by the California Constitution, the proceeds from the sale of the bonds will be used only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, as specifically set forth in this Measure, and costs incident thereto, and not for any other purpose, including salaries and other routine school operating expenses.

SCHOOL FACILITIES PROJECTS TO BE FUNDED FROM BOND PROCEEDS

The following list includes both projects that can be completed using the bond proceeds, along with State matching funds and other building funds the District is projected to receive and projects that are planned and needed but whose construction is contingent on the amount of bond funds available, plus the amount of State matching and other building funds the District may receive in the future, which is a function of the State building program rules, passage of State bonds, and the growth rate of the District. The completion of specific projects is also contingent on final project costs.

School Safety

The Arcohe School has outdated or nonexistent school safety and security systems which need to be improved. Bond funds will be used to:

- Improve emergency communications systems;
- Install campus security systems including security cameras, lighting, door locks, and fencing;
- Upgrade fire safety systems, including safety doors, smoke alarms, and smoke detectors; and
- Improve access to school facilities for students with disabilities.

Repair Aging Facilities

The Arcohe School's facilities are over 40 years old and in need of upgrades and repairs. Bond funds will be used to:

- Repair or replace leaky roofs;
- Repair and/or upgrade plumbing systems and ensure clean drinking water;
- Repair and replace electrical systems;
- Repair or replace outdated heating, air conditioning, and ventilation systems; and
- Repair and renovate aging classrooms, labs, and facilities.

Classroom Expansion

The Arcohe School is at capacity and additional classroom space is needed. Bond funds will be used to add additional classroom space and other educational facilities including updating or adding

science, engineering, math, technology, and agricultural labs/education facilities. In addition, the District may upgrade physical education/athletic facilities to support student health and fitness, and may expand existing facilities to add multipurpose and community spaces.

Community Center

The District is seeking to partner with the County of Sacramento to develop a joint use community center, which would include educational purposes. Bond funds may be used, in addition to other sources, to partially fund the project in partnership with the County.

These projects may include participation in the State Facility Program's Joint-Use Program to gain matching funds for teacher education, multi-purpose rooms, gymnasiums, libraries, childcare, and other qualifying Joint-Use facilities. With respect to such joint-use projects, the bond funds authorized by this Measure may be used to pay all of the local share needed to qualify the projects for special State matching funds under the State Facility Program's Joint-Use Program requirements.

The scope of specific projects, the order of construction, and their completion is contingent on final project costs and the availability of needed funds. Further, projects on the project list are of the type that issuing the authorized general obligation bonds as stated will not cause the State to reduce any financial hardship contribution that would otherwise be available to the District had these bonds not been authorized, issued, and or expended for their stated purpose.

The Board of Trustees hereby certifies that it has evaluated the safety, class-size reduction, and information technology needs of the District in developing this list of school facilities projects.

Each of the bond projects described in this bond project list include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above.

ACCOUNTABILITY MEASURES

If the bonds are approved, the Board of Trustees will implement the following accountability measures in accordance with State law:

- (a) Use the bond proceeds only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and related uses, as specifically set forth in this Measure, and costs incident thereto, and not for any other purpose, including salaries and other routine school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in this Measure;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for school facilities projects and uses listed in this Measure; and

- (d) Establish and appoint members to an independent citizens' oversight committee to ensure the bonds are used only for the projects and uses listed in this Measure.

STATE MATCHING FUNDS

California Education Code section 15122.5 requires the following statement to be included in this Measure and provided to the voters:

Approval of this bond measure does not guarantee that the proposed projects in the Arcohe Union School District that are the subject of bonds under this measure will be funded beyond the local revenues generated by this bond measure. The District's proposal for certain of the projects assumes the receipt of matching state funds, which are subject to appropriation by the Legislature or approval of a statewide bond measure.

ANNUAL TAX AMOUNT, RATE, AND DURATION

The bonds shall bear interest at an annual rate not exceeding the statutory maximum. The maturity of the bonds shall not exceed the maximum term allowed by law at the time of issuance (currently 25 years if issued under Education Code section 15140, or 40 years if issued under Government Code section 53508, so long as the bonds are not capital appreciation bonds ("CABs," which CABs are limited to 25 years)). Accordingly, as further set forth in the tax rate statement, the *ad valorem* tax will be levied at such rates and for so long as may be required to meet the debt service needs of the bonds proposed to be issued, including such bonds that may be issued to refund any approved bonds.

* * *

To the extent permitted by law examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; project construction oversight, management and administration during the duration of such projects, including by District personnel, and bond issuance costs.

Unforeseen conditions may arise during the course of planning, design and construction resulting in the scope and nature of any of the specific projects described above being altered by the District. In the event that the District determines that, with respect to a modernization or renovation project, it is more economical for the District or otherwise in the District's best interests to be undertaken as new construction, this bond measure authorizes said new construction, including land acquisition, relocation, expansion and construction and/or reconstruction, and all costs relating thereto.

Conversely, if the District determines that it is more economical or otherwise in the best interests of the District to modernize or renovate District facilities instead of undertaking a new construction project, this bond measure authorizes such a project. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests, required to expand District facilities, to provide access to school or other District facilities, or to provide additional school or related facilities. Further, authorized projects include reimbursements for project costs previously paid and paying and/or prepaying interim financing for the types of projects included on the project list, such as bond anticipation notes. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

Approval of the District's bond measure does not guarantee that all of the identified projects within the bond project list will be funded. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

The order in which projects are listed in the foregoing project list does not suggest an order of priority. Project prioritization is vested in and will be determined by the District Board of Trustees. 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 section 53410.

TAX RATE STATEMENT

ARCOHE UNION SCHOOL DISTRICT GENERAL OBLIGATION BONDS MEASURE M

An election will be held in the Arcohe Union School District (the "District") on November 5, 2024, for the purpose of submitting to the electors of the District the question of incurring bonded indebtedness of the District in the maximum principal amount of \$5,800,000. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of taxes levied on taxable property in the District. The following information regarding tax rates is given in compliance with Section 9401 of the California Elections Code. This 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 assessed valuations of taxable property in the District, and assuming the entire debt service on the bonds will be paid through property taxation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the filing of this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors is \$29.50 per \$100,000 of assessed valuation (2.95 cents per \$100 of assessed valuation) of all property to be taxed. It is estimated that the final fiscal year in which the tax is anticipated to be collected is 2049-50.

2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the first year in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$29.70 per \$100,000 of

assessed valuation (2.97 cents per \$100 of assessed valuation) of all property to be taxed and the year is 2031-32.

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 \$11,339,596.

Attention of voters is directed to the fact that the foregoing information is based upon projections and estimates only. The actual timing of sales of the bonds and the amount to be sold at any time will be governed by the needs of the District and other factors. The actual interest rates at which the bonds will be sold, which will not exceed the maximum permitted by law, will depend upon the bond market at the time of sale. The actual assessed valuations in future years will depend upon the value of property within the District as determined in the assessment and the equalization process. Therefore, the actual tax rates and the years in which those tax rates will be applicable may vary from those presently estimated and stated above.

Voters should note that estimated tax rates are based on the *ASSESSED VALUE* of taxable property on the 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.

s/ Troy Miller
Superintendent/Principal,
Arcohe Union School District

ARGUMENT IN FAVOR OF MEASURE M

Vote YES on M – provide locally controlled funding to increase the capacity at our school, give hands-on educational experiences, and provide safe and clean classrooms for all students!

Arcohe Union School District is committed to providing innovative educational programs for all students in school. In the past ten years, Arcohe School has seen enrollment increase in all grades which has necessitated additional classroom space. Furthermore, to align with our vision of Achievement, Belonging and Character, Arcohe intends to continue to provide hands-on experiences in the areas of Science, Technology, and Agriculture to allow for our students to remain competitive.

Creating new classrooms and learning labs will give our students a strong foundation in science, technology, engineering, and math, ensuring they will be successful no matter their future college or career path.

Supporting local schools is an investment both in the present and the future. Strong schools help attract and retain quality teachers, improve the quality of education for students and help keep property values strong.

Measure M requires strict fiscal accountability:

- Independent citizens' oversight and annual audits are required
- All money raised must remain under local control – the State can't take one dime
- No funds can be used for administrator or staff salaries

Vote YES on M to:

- Provide clean and safe classrooms
- Provide science, engineering, technology, and agricultural education labs
- Prevent overcrowded classrooms
- Continue to provide safe drinking water
- Improve safety, security, and disabled accessibility
- Help retain and attract quality teachers

Join our community members in Voting YES on M to enhance and build upon what makes Arcohe a great place for students, staff, and families.

s/ Karol Messersmith
Community Member

s/ Chrissy Jimenez
Community Member

s/ Karrin Blevis
Community Member

s/ Brady Otto
Community Member

s/ Bobbie Stepps
Community Member

NO REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE M WAS FILED

NO ARGUMENT AGAINST MEASURE M WAS FILED

NO REBUTTAL TO ARGUMENT AGAINST MEASURE M WAS FILED