

RESOLUTION NO. 15-16-25

RESOLUTION OF THE BOARD OF TRUSTEES OF THE BANNING UNIFIED SCHOOL DISTRICT ORDERING A SCHOOL BOND ELECTION, ESTABLISHING SPECIFICATIONS FOR AN ELECTION ORDER, REQUESTING CONSOLIDATION WITH OTHER ELECTIONS OCCURRING ON NOVEMBER 8, 2016, AND TAKING RELATED ACTIONS

WHEREAS, Section 1(a) of Article XIII A of the California Constitution enacted in 1978, subject to exceptions, limits ad valorem taxes on real property to one percent (1%) of the full cash value of such property; and

WHEREAS, Proposition 46, approved by the voters of the State in 1986 added a provision to Section 1(b) of Article XIII A to exempt from such one percent (1%) of full cash value limitation, those ad valorem taxes used to pay debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds (2/3) of the votes cast by the voters voting on the proposition for bonded indebtedness; and

WHEREAS, the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) was adopted by the voters within the State of California in 2000, added Section 1(b)(3) of Article XIII A of the California Constitution and amended Section 18(b) of Article XVI of the California Constitution, to allow a public school district, upon approval by a two-thirds vote of its Board of Trustees, to incur bonded indebtedness approved in an election conducted after such date for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of facilities or real property for school facilities, in consideration of safety, class size reduction and information technology needs, to be approved by fifty-five percent (55%) of the voters of such school district provided that certain findings, determinations, certifications and requirements are applicable to such a bond election and the proposition for such bonded indebtedness includes specified accountability requirements all as set forth in Proposition 39, as adopted, and related State legislation are satisfied (“Proposition 39 Accountability Requirements”); and

WHEREAS, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (“Strict Accountability Act”), became operative; and

WHEREAS, pursuant to Proposition 39 and the Strict Accountability Act, on November 6, 2006, a bond election was conducted within the boundaries of the Banning Unified School District (“District”) on the question of authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$63,000,000 (“Measure R Bonds”), and more than 55 percent of the voters voting on the proposition approved the passage of Measure R; and

WHEREAS, the Board of Trustees of the District (“Board”), has issued two series of General Obligation Bonds in the aggregate principal amount of \$37,499,287.50, leaving \$25,500,712.50 of Measure R Bonds which have been authorized but unissued by the District (“Unissued Measure R Bonds”); and

WHEREAS, Section 15268 of the Strict Accountability Act requires that at the time of issuance of any series of Measure R Bonds, that the District must project that the tax rate levied to pay debt service on such Measure R Bonds, together with debt service due on other series of Measure R Bonds which have previously been issued, will not exceed \$60 per year per \$100,000 of taxable property within the District; and

WHEREAS, as a result of the general economic downturn commencing in 2008 and declines in the assessed valuations of property in the District since then, the Board has determined that the District will be unable to issue any additional series of the Unissued Measure R Bonds in the immediate future due to an inability to make the tax rate projections required under the Strict Accountability Act, without issuing such bonds as long-term capital appreciation bonds which would result in excessive borrowing costs imposed on the property tax payers in the District; and

WHEREAS, the Board hereby finds and determines that there continues to be an urgent need in the District for the completion of the educational projects approved by District voters under Measure R and that no other District resources are available to finance such projects; and

WHEREAS, in order to complete the educational projects for which Measure R Bonds have been authorized, and to avoid excessive borrowing costs which would result from the issuance of long term capital appreciation bonds, the Board has determined to call an election to submit to the electors of the District the question whether a new issue of general obligation bonds of the District (“Reauthorized Bonds”), in an amount equal to a portion of the Unissued Measure R Bonds, shall be issued and sold for the purpose of raising money to complete the educational projects for which the Measure R Bonds have been authorized, through the acquisition and improvement of real property and the furnishing, building and equipping of school facilities of the District as further described in Exhibit “A” attached hereto and incorporated herein by this reference (“School Facilities”), all pursuant to the provisions of Proposition 39 and related State law; and

WHEREAS, in order to ensure that the issuance of the Reauthorized Bonds will not result in an increase in the total authorized District debt pursuant to Measure R, the Board has determined and shall covenant that upon the occurrence of certain events, the Board will take all actions which are required in order to cancel a like aggregate principal amount of Measure R Bonds; and

WHEREAS, the Board is authorized to pursue the authorization and issuance of the Reauthorized Bonds under Article XIII A by a 55 percent vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes; and

WHEREAS, under existing State law, November 8, 2016, is a Statewide General Election Date; and

WHEREAS, in the judgment of the Board, it is advisable to order the Riverside County Registrar of Voters (“County Registrar”) to conduct an election within the District on the question of whether the Bonds shall be issued and sold for the purposes described herein and subject to the Proposition 39 Accountability Requirements.

WHEREAS, under Section 10403 et seq. of 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 Tuesday, November 8, 2016.

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

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. The Board, pursuant to California Education Code (“Education Code”) Sections 15100 *et seq.* and 15264 *et seq.*, Section 1(b)(3) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution, hereby orders and calls an election to submit to the electors of the District the question of whether Reauthorized Bonds will be issued and sold for the purpose of raising money to finance the School Facilities listed on Exhibit “A” (“Election”), which is also on file at the District office, and for paying costs incident thereto, which Election will occur on a Statewide General Election Date. The amount of the bond authorization shall be \$25,500,000 as further set forth in the exhibits hereto.

Section 3. The date of the Election shall be November 8, 2016.

Section 4. The purpose of the Election shall be for the voters in the District to vote on a proposition as set forth in Section 10 hereof (“Proposition”), containing the question of whether the District shall issue the Bonds for the purposes stated therein, including the Proposition 39 Accountability Requirements, and subject to the terms and conditions set forth in this Resolution.

Section 5. That the authority for ordering the Election is contained in Education Code Sections 15100 *et seq.* and 15264 *et seq.*, Section 1(b)(3) of Article XIII A of the California Constitution and Section 18(b) of Article XVI of the California Constitution as amended pursuant to the provisions of Proposition 39.

Section 6. This Resolution constitutes the order of the District to the County Registrar to call and conduct the Election (“Election Order”) within the boundaries of the District on November 8, 2016, which is a Statewide General Election Date, subject to the terms, provisions and requirements set forth herein.

Section 7. The authority for the specification of the Election Order is contained in Education Code Section 5322.

Section 8. The Clerk of the Board is directed to send, or cause to be sent, a certified copy of this Resolution to the County Registrar and a certified copy of this Resolution to the Riverside County Clerk of the Board of Supervisors (“County Clerk”). The Clerk of the Board shall also transmit, or cause to be transmitted, a copy of this Resolution to the Riverside County Superintendent of Schools.

Section 9. Pursuant to Education Code Section 5342 and Part 3 (commencing with Section 10400) of Division 10 of the California Elections Code (“Elections Code”), the County Registrar and the Riverside County Board of Supervisors (“County Board”) are hereby requested to take any and all actions necessary to consolidate the Election ordered hereby with any and all other elections to be held on November 8, 2016, within the boundaries of the District, and to take all other actions necessary to call and conduct the Election specified herein. The County Registrar, the County Clerk and the County Board are hereby also requested to take all other actions necessary to conduct the Election called and ordered hereby.

Section 10. Based upon the requirements of the California Constitution and State law, the Proposition to be voted on by the voters in the District in such Election shall be as set forth in Exhibit “B” attached hereto and incorporated herein by this reference. A Bond Measure Statement, to comply with Elections Code Section 13247, is attached hereto as Exhibit “C” and incorporated herein by this reference. A form of School Bond Election Notice is attached hereto as Exhibit “D” and is incorporated herein by this reference.

Section 11. If the Reauthorized Bonds are approved pursuant to the requirements of the California Constitution and applicable California law, the Board of the District shall establish and appoint members to an independent citizens’ oversight committee in accordance with the requirements of Article 2 of Chapter 1.5 of Part 10 of the Education Code.

Section 12. Pursuant to Education Code Section 15272, and as included in Exhibit “B” attached hereto, the Board hereby directs that the County Registrar cause to be printed in or on the ballot materials for the Election the following statement:

“If this Bond measure is approved, the Banning Unified School District Board of Trustees will appoint a citizens’ oversight committee and conduct annual independent audits to assure that bond funds are spent only on school and classroom improvements and for no other purposes.”

Section 13. In accordance with Education Code Section 15270, the Reauthorized Bonds will only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution will not exceed the Proposition 39 limits per one hundred thousand dollars (\$100,000) of taxable property for the bonds authorized in this election when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 14. Pursuant to California Government Code Sections 53410 and 53411 and other provisions of State law, the Board hereby finds, determines and directs as follows:

(a) The purpose of the Reauthorized Bonds to be authorized pursuant to the Election is to finance the School Facilities as described herein.

(b) The Board hereby directs that at the time the Reauthorized Bonds are authorized by the Board for issuance and sale, the Board shall provide, in such issuance resolution or other bond issuance documents, which the proceeds of the Bonds shall be used only for the purpose set forth in Section 14(a), above.

(c) The Board hereby directs that at the time the Reauthorized Bonds are authorized by the Board for issuance and sale, the Board shall provide in such issuance resolution or other bond issuance documents for the creation of one or more funds or accounts (which may include subaccounts) into which the proceeds of the Reauthorized Bonds, or each series of Bonds as the case may be, shall be deposited. The Reauthorized Bonds may be issued in one or more series consistent with applicable law, including the provisions and restrictions of this Section 14, which shall apply to each such series of the Reauthorized Bonds.

(d) The District's Superintendent, or the District's Director of Fiscal Services (as shall be applicable), shall have the responsibility (once the Reauthorized Bonds are authorized and issued) to provide to the Board, no less often than annually, a written report which shall contain at least the following information:

- (i) The amount of the Reauthorized Bond proceeds received and expended within the identified period of time. If no Bonds have been issued and sold, the report may simply note such situation;
- (ii) In the event that Bonds have been issued and sold, and proceeds therefore received, the report shall include the status of the acquisition, construction or financing of the School Facilities with the proceeds of such Bonds or series of Bonds; and
- (iii) In the event that taxes have been levied in a fiscal year to pay principal and interest on the Reauthorized Bonds, the amount of principal and interest due on the Reauthorized Bonds in the corresponding calendar or fiscal year.

The report required by this Section 14(d) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission or continuing disclosure reports or other reports made in connection with the Reauthorized Bonds, or any series thereof.

The requirements of this Section 14(d) shall apply only until all Bonds, or each series of Bonds, are redeemed or defeased, but if the Reauthorized Bonds or any series of Bonds are refunded, such provisions shall apply until all such refunding Bonds are redeemed or defeased.

Section 15. The aggregate original principal amount of all of the Measure R Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, shall not exceed \$25,500,000, being the

original authorized amount of the Measure R Bonds. To that end, the Board hereby covenants as follows:

- (a) As part of the issuance of any series of the Reauthorized Bonds, the Board shall take all required actions to cause the unissued Measure R Bonds to be cancelled in a principal amount equal to the principal amount of such series of Reauthorized Bonds; and
- (b) under any circumstances, including but not limited to a failure or refusal by the County to cancel a portion of the Unissued Measure R Bonds, the Board shall not authorize the issuance of any Unissued Measure R Bonds or Reauthorized Bonds if such issuance would cause the aggregate original principal amount of all of the Measure R Bonds which are issued by the District, together with the aggregate original principal amount of the Reauthorized Bonds which are issued by the District, to exceed \$25,500,000.

Section 16. The Reauthorized 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 25 years from the date of issuance thereof. The Reauthorized Bonds shall be issued under the Education Code, under the provisions of Section 53506 of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 17. Any or all of the members of this Board are authorized to act as an author of any ballot argument prepared in connection with the Election, including a rebuttal argument.

Section 18. The Superintendent, Director of Fiscal Services, President of the Board, and their respective designees, are hereby authorized to execute and deliver any Tax Rate Statement (prepared or provided pursuant to Elections Code Sections 9400-9404) or any other document and to perform all other acts or actions necessary to place the Reauthorized Bond measure called hereby on the ballot and to conduct the Election ordered herein. This shall include, but shall not be limited to, payment to the County for costs or expenses incurred by the County in calling and conducting the Election for the Proposition as directed herein. Such costs may, to the extent legally permissible, be recovered as a cost of issuance of the Reauthorized Bonds if so authorized by the electors.

Section 19. The Superintendent, the Director of Fiscal Services, the President of the Board, and/or their respective designee(s), are hereby authorized and directed to make any changes to the text of the Proposition or the Bond Measure Statement referenced in Section 10 hereof and set forth in Exhibits "B" and "C" as required to conform to any requirements of Section 1(b) of Article XIII A of the California Constitution, Proposition 39, State Law or the County Registrar.

Section 20. The firm of Dale Scott & Co., Inc., is hereby designated and confirmed to act as financial advisor to the District, and the firm of Bowie, Arneson, Wiles & Giannone, is hereby designated and confirmed as bond counsel to the District, in connection with the election proceedings authorized under this Resolution and the issuance of any Reauthorized Bonds in the event such election is approved by the requisite percentage of voters. The Superintendent is

hereby authorized and directed to enter into an agreement with each of such firms in the respective forms on file with the Clerk of the Board.

Section 21. The adoption of this Resolution, and the call and conducting of the Election, is not a “project” for purposes the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code (“CEQA”) but that each of the projects specified in Exhibit “A” will be accomplished in accordance with the applicable requirements of CEQA. The Clerk of the Board is authorized and directed to complete, execute and file, or arrange for filing of, a Notice of Exemption in such regard.

Section 22. The Superintendent, the Director of Fiscal Services, President of the Board, Clerk of the Board and/or their respective designee(s), District staff and District consultants are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to give effect to and comply with the directives, terms and intent of this Resolution. Such actions heretofore taken by such officers, officials, consultants and staff are hereby ratified, confirmed and approved.

Section 23. This resolution shall take effect upon its adoption.

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ADOPTED, SIGNED AND APPROVED this 30th day of June, 2016.

**BOARD OF TRUSTEES OF THE BANNING
UNIFIED SCHOOL DISTRICT**

By: 

President of the Board of Trustees of the
Banning Unified School District

ATTEST:

By: 

Clerk of the Board of Trustees of the Banning
Unified School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Jan Spann, Clerk of the Board of Trustees of the Banning Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Trustees of such School District at a meeting of said Board held on the 30th day of June, 2016, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:



Clerk of the Board of Trustees of the Banning Unified
School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Jan Spann, Clerk of the Board of Trustees of the Banning Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 15-16-25 of such Board and that the same has not been amended, rescinded or repealed.

Dated: June 30, 2016



Clerk of the Board of Trustees of the Banning Unified
School District

EXHIBIT "A"

BANNING UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BOND MEASURE

**LIST OF SCHOOL FACILITIES PROJECTS
TO BE FUNDED WITH PROCEEDS OF BONDS**

The Board of Education of the Banning Unified School District ("District") is committed to protecting the quality of education in safe and secure local schools that engage all students. To that end, the Board of Education recognizes that students need multiple pathways to achieve their current and future educational and career goals. Therefore, in approving this School Facilities Project List, the Board of Education determines that the District must:

- (i) Retain all funds to support local students and ensure that money cannot be taken away by the State; and**
- (ii) Provide vocational education so students are prepared for college and good-paying jobs; and**
- (iii) Utilize bond proceeds to qualify for State matching facility fund grants; and**
- (iv) Adhere to clear system of accountability, such as:
 - (a) Requiring all expenditures be subject to annual independent financial and performance audits; and**
 - (b) Appointing an independent citizens' oversight committee to ensure that all funds are spent properly.****

Proceeds from the general obligation bonds of the District would be used to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District as described herein.

The specific school facilities and facilities projects to be funded with bond proceeds include:

BANNING HIGH SCHOOL IMPROVEMENTS

Upgrades and improvements at Banning High School:

- Construct and equip vocational education facility including classrooms and work bays to support program areas such as architecture, engineering, construction, renewable energy and alternative fuel vehicles
- Construct and equip a performing arts facility to provide a theater for student and community productions and use
- Make security improvements such as installing/replacing security fencing, cameras, lighting, and fire alarm and security systems

- Renovate/repair/replace existing bleachers

SITE ACQUISITION

- Acquire land for expansion and/or construction of new District schools and school facilities

Project costs for the above-referenced projects may include installation costs, engineering and design costs, project management/construction management costs, warranty costs, master facilities planning, state or local costs or expenses involving design, planning, site and facilities development costs and charges, environmental review(s) and proceedings, necessary supporting infrastructure costs, relocation costs and expenses, necessary contingency plans and related costs construction and completion of the aforementioned facilities projects, direct legal costs and related costs. Project costs may also include the payment or prepayment of existing or future lease payments and/or interim financing costs for lease of authorized facilities, property or buildings, prepayment of lease obligations for facilities purposes (including temporary classroom facilities) and payment of costs and expenses for interim financing of authorized facilities (including, but not limited to, financing delivery costs). 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. 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. Allowable project costs also include: costs of issuing the bonds or other securities (as authorized under California law), informational distribution costs and election costs authorized under State law.

This School Facilities Project List describes the specific facilities and capital projects the District may 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 this School Facilities 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 Education cannot determine the amount of bond proceeds available to be allocated for 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 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 or will be completed in any particular order or by a particular date.

In preparing the foregoing list, the Board of Education of the Banning Unified School District has evaluated safety, class size and information technology needs.

The District will also pursue funds from the State of California to complete certain of the identified facilities projects.

FISCAL ACCOUNTABILITY

This bond measure includes strict accountability requirements including:

1. All money will benefit local schools and CANNOT BE TAKEN BY THE STATE.
2. Require CITIZENS' OVERSIGHT and yearly reports to the community to keep the District accountable for how the funds are spent.
3. 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 school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher or administrator salaries, pensions and other operating expenses.
4. 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.

EXHIBIT "B"

**BOND PROPOSITION OF THE
BANNING UNIFIED SCHOOL DISTRICT**
(November 8, 2016):

“By approval of this proposition 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 \$25,500,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described herein, subject to all the accountability requirements specified herein.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provisions of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Measure R at an election held in the District on November 6, 2006. However, due to State law limitations imposed on the issuance of bonds under Measure R, the District estimates that it will be unable to issue any additional Measure R Bonds in the immediate future. The Board of Trustees of the District has found and determined that there continues to be an urgent need in the District for the completion of the educational projects approved by District voters under Measure R, and that no other District resources are available to finance such projects. If the Bonds are approved and issued, the Board of Trustees of the District has covenanted that it will take action(s) to cancel and shall not authorize the issuance of Measure R Bonds in a like amount.

In order to acquire, construct and reconstruct school facilities, and provide for supporting infrastructure at the existing school site of the Banning Unified School District, and in so doing increase health, safety, welfare and educational effectiveness of classrooms for students, shall the Banning Unified School District be authorized to issue Bonds in an amount not to exceed \$25,500,000, including the furnishing and equipping of school facilities or the acquisition or lease of real property for schools and school facilities listed in Attachment “1” on file at the District office and herein incorporated, which Bonds shall be issued for a term not to exceed the applicable statutory maximum, at an interest rate below the legal maximum, and which Bonds shall be subject to the following provisions:

- (A) That proceeds of the Bonds shall be used only for the construction of school facilities and supporting infrastructure, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities pursuant to California Constitution Article XIII A, Section 1(b)(3) and further that the proceeds of the Bonds shall be used only for the purposes specified in California Constitution Article XIII A, Section 1(b)(3) (as amended by Proposition

39) and not for any other purpose, including teacher and non-construction related administrator salaries and any other school operating expenses.

- (B) That a list of the specific school facilities projects to be funded with the proceeds of the Bonds is attached hereto as Attachment "1" and, based upon the adoption of this Resolution, this Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the school facilities listed in Attachment "1".
- (C) That the Board of Trustees of the District shall conduct an annual, independent performance audit to insure that the proceeds from the sale of the Bonds have been expended only on the specific projects listed in this bond proposition.
- (D) That the Board of Trustees of the District shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects identified herein.
- (E) That the Board of Trustees of the District will, pursuant to the provisions of applicable State law, appoint a citizens' oversight committee, and conduct annual independent audits (as referenced above) to assure that the Bond proceeds are spent only on the school, facilities and classroom improvements, projects and costs identified in Attachment "1" and for no other purposes.

Taxpayer Protections: The following taxpayer protections are specifically provided in this Bond Measure and by law:

- Bond funds shall be used only for the school facilities projects identified herein, and **not for any other purpose.**
- As required by law, an **Independent Citizen's Oversight Committee** shall oversee expenditures of bond funds, and related matters, and shall report to the Board of Trustees and communicate with the public on such expenditures.
- As required by law, the School District shall conduct **annual financial audits and performance audits** (using independent auditors) for all bond funds.
- Bond Funds shall not be used for teacher or non-construction related administrator salaries or other non-construction related operating expenses."

ATTACHMENT “1”

BANNING UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BOND MEASURE

**LIST OF SCHOOL FACILITIES PROJECTS
TO BE FUNDED WITH PROCEEDS OF BONDS**

The Board of Education of the Banning Unified School District (“District”) is committed to protecting the quality of education in safe and secure local schools that engage all students. To that end, the Board of Education recognizes that students need multiple pathways to achieve their current and future educational and career goals. Therefore, in approving this School Facilities Project List, the Board of Education determines that the District must:

- (i) **Retain all funds to support local students and ensure that money cannot be taken away by the State; and**
- (ii) **Provide vocational education so students are prepared for college and good-paying jobs; and**
- (iii) **Utilize bond proceeds to qualify for State matching facility fund grants; and**
- (iv) **Adhere to clear system of accountability, such as:**
 - (a) **Requiring all expenditures be subject to annual independent financial and performance audits; and**
 - (b) **Appointing an independent citizens’ oversight committee to ensure that all funds are spent properly.**

Proceeds from the general obligation bonds of the District would be used to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District as described herein.

The specific school facilities and facilities projects to be funded with bond proceeds include:

BANNING HIGH SCHOOL IMPROVEMENTS

Upgrades and improvements at Banning High School:

- Construct and equip vocational education facility including classrooms and work bays to support program areas such as architecture, engineering, construction, renewable energy and alternative fuel vehicles
- Construct and equip a performing arts facility to provide a theater for student and community productions and use
- Make security improvements such as installing/replacing security fencing, cameras, lighting, and fire alarm and security systems

- Renovate/repair/replace existing bleachers

SITE ACQUISITION

- Acquire land for expansion and/or construction of new District schools and school facilities

Project costs for the above-referenced projects may include installation costs, engineering and design costs, project management/construction management costs, warranty costs, master facilities planning, state or local costs or expenses involving design, planning, site and facilities development costs and charges, environmental review(s) and proceedings, necessary supporting infrastructure costs, relocation costs and expenses, necessary contingency plans and related costs construction and completion of the aforementioned facilities projects, direct legal costs and related costs. Project costs may also include the payment or prepayment of existing or future lease payments and/or interim financing costs for lease of authorized facilities, property or buildings, prepayment of lease obligations for facilities purposes (including temporary classroom facilities) and payment of costs and expenses for interim financing of authorized facilities (including, but not limited to, financing delivery costs). 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. 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. Allowable project costs also include: costs of issuing the bonds or other securities (as authorized under California law), informational distribution costs and election costs authorized under State law.

This School Facilities Project List describes the specific facilities and capital projects the District may 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 this School Facilities 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 Education cannot determine the amount of bond proceeds available to be allocated for 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 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 or will be completed in any particular order or by a particular date.

In preparing the foregoing list, the Board of Education of the Banning Unified School District has evaluated safety, class size and information technology needs.

The District will also pursue funds from the State of California to complete certain of the identified facilities projects.

FISCAL ACCOUNTABILITY

This bond measure includes strict accountability requirements including:

4. All money will benefit local schools and CANNOT BE TAKEN BY THE STATE.

5. Require CITIZENS' OVERSIGHT and yearly reports to the community to keep the District accountable for how the funds are spent.

6. 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 school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher or administrator salaries, pensions and other operating expenses.

4. 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.

EXHIBIT "C"

BANNING UNIFIED SCHOOL DISTRICT

Ballot Measure Statement

"To repair, construct, acquire, and equip classrooms and other educational facilities, including career technical education; and to reduce borrowing costs, shall \$25.5 million of Banning Unified School District bonds, previously approved by voters in November 2006, be reauthorized through the issuance of new bonds, with no increase in total authorized District debt, rates below legal limits, no funds for administrator salaries, independent citizen oversight, annual audits, all funds spent on local schools and not taken by the State?"

Bonds - Yes

Bonds - No