

BONSALL UNIFIED SCHOOL DISTRICT

(This Measure will appear on the ballot in the following form.)

MEASURE DD

To construct and equip a new high school; install emergency communication systems; reduce traffic hazards for increased student safety; upgrade power/electrical systems; provide health/fitness facilities for student/community use; repair leaky pipes/deteriorating roofs; and replace temporary buildings with permanent classrooms; shall Bonsall Unified School District issue \$58 million of bonds with interest rates below legal limits, independent citizen oversight, and all funds spent locally and not taken by the State and spent elsewhere?

Bonds – Yes

Bonds – No

This measure requires approval by 55% of the voters voting on the measure. Full text of this measure follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure was placed on the ballot by the governing board of the Bonsall Union School District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$58,000,000 in general obligation bonds. The sale of these bonds by the District is for the purpose of raising money for the District, and represents a debt of the District. In exchange for the money received from the bond holders, the District promises to pay the holders an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure will also authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate sufficient revenue to pay interest on the bonds as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this measure may be used by the District 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.

The interest rate on any bond, which is established at the time of bond issuance, could not exceed 12% per annum. The final maturity date of any bond could be no later than 40 years after the date the bonds are issued as determined by the District.

The tax authorized by this measure is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for, among other things, the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

COUNTY COUNSEL IMPARTIAL ANALYSIS (Continued)

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology needs, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot measure subject to these requirements.

Approval of this measure does not guarantee that the proposed projects in the District that are the subject of these bonds will be funded beyond the local revenues generated by this measure.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$58,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$58,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in Bonsall Unified School District (the "District") on November 8, 2016 to authorize the sale of \$58,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.06000 per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.06000 per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2021-22.
3. 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 \$0.06000 per \$100 (\$60.00 per \$100,000) of assessed valuation. The highest tax rate is expected to be in effect in fiscal years 2017-18 through 2041-42.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$.05693 per \$100 (\$56.93 per \$100,000) of assessed valuation.
5. The best estimate of the total debt service, including principal and interest that would be required to be repaid if all the bonds are issued and sold is \$105,752,000.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the 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 needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District.

Dated: July 26, 2016

Justin Cunningham
Superintendent
Bonsall Unified School District

ARGUMENT IN FAVOR OF MEASURE DD

Vote YES on Measure DD!

Your YES Vote on Measure DD will protect, build, and repair our community's most valuable assets – our children's public schools – while at the same time guaranteeing significant taxpayer protections.

Measure DD will improve our schools by:

- Building a state-of-the-art Bonsall High School, including a Career Volunteer Center and other community use projects
- Improving safety and security for our children, many of whose families have military ties
- Updating emergency communication systems and fire alarms
- Improving school parking, traffic flow, and disabled access.
- Developing fitness facilities for joint use by schools and community

Measure DD will protect taxpayers by:

- **Making** our local school projects eligible for State matching funds
- **Requiring** independent citizen oversight and annual audits to ensure funds are spent as promised
- **Prohibiting** funds from going to administrators' salaries, pensions or benefits
- **Imposing** tough legal restrictions requiring all monies to be spent on our local schools
- **Prohibiting** the state from taking local bond funds and spending it in other districts

Vote **YES** to improve security and safety at our school sites.

Vote **YES** to ensure our schools continue to offer students the outstanding education they need to compete in the modern world.

Vote **YES** to retain and attract high-quality educators. And Vote **YES** to provide the quality schools that improve property values.

Vote **YES** to help Bonsall Unified School District achieve their goals of academic excellence and support for all students to be highly competitive in their chosen career path and/or college.

To build better, safer schools, improve student achievement, save taxpayer dollars with historically low interest rates, and turn community use possibilities into realities, please join business leaders, teachers, parents, grandparents and neighbors in voting **YES on Measure DD**.

VAUGHN 'BUD' COLE
President
Bonsall Chamber of Commerce

SYLVIA TUCKER
Grandmother & 20-year
Bonsall Unified School
District Board Member

TIMOTHY COEN
Father & Physician

HECTOR SOTO
President
District English Learner
Advisory Committee

GREGORY A. STEIN
Chairman of the Board
San Diego County Taxpayers Association

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE DD

Measure DD's tax increase is unfair to seniors and fixed income property owners. Growers can't afford this \$105 million debt.

A \$500,000 property can expect \$300 more taxes per year for decades if Measure DD passes. Worse the estimated high of \$60 per \$100,000 is not guaranteed.

How many extra taxes already on your bill? Can you afford another? Landlords will raise rents!

Bonsall Unified School District isn't in Fallbrook Union High School District anymore but properties in Bonsall are still paying taxes for Fallbrook bonds. Why? This separation and doubling of administration costs was a waste! Surprised there's not enough money for classrooms?

Bonsall tax bills also include these extra charges:

Metropolitan Water District
Palomar Community College District, 2006 bond
Bonsall Unified School District, 2005 bond
Palomar Pomerado Healthcare District, 2005 bond

Why another Bonsall bond so soon? How can District claim leaky roofs, rusty pipes or unsafe conditions? Where was proper maintenance? Was prior bond money wasted on pools, AstroTurf, bleachers or theaters instead of classrooms and student safety?

Measure DD is endorsed by San Diego County Taxpayers Association. They're putting lipstick on this pig. Don't be fooled. Many of their directors / officers profit directly / indirectly from school bonds. Should be called San Diego County "TAXTAKERS" Association.

Is SDCTA looking out for you or themselves? They endorsed Poway 's \$105m bond that's now costing those taxpayers nearly \$1 billion. Why? They profit! Google: San Diego County Taxpayers Association Gonsalves Cozy.

Promised Citizens' Bond Oversight Committee = toothless tiger. Measure DD lacks specific prioritized project list with estimated costs so Citizens' Bond Oversight Committee can measure accountability.

Vote NO until these problems are fixed.

www.CalTAN.org

M. KEVIN O'NEILL, President
California Taxpayers Action Network

ARGUMENT AGAINST MEASURE DD

Don't be a victim of The School Bond Scam! (www.schoolbondscam.org)

News articles and campaign finance disclosures show Wall Streeters, contractors and consultants pay money to pass school bonds for their immediate profit leaving each taxpayer with decades of additional debt. **Google:** "Local School Bonds: Big Donors Win Big Contracts" OR Orange County Register's "Bankers Push School Bonds for C.A.S.H."

The School Bond Scammers gladly pay to pass bonds anticipating school boards will reward them with inflated no bid contracts in return. **Google:** Sweetwater school pay to play OR Fresno Leaseback FBI Arax.

Voice of San Diego's August 6, 2012 investigative report revealed Poway School District's "Capital Appreciation Bonds" put their taxpayers on the hook to pay back about \$1 billion for their \$105 million bond. **Google:** "Thanks a Billion"

California Taxpayers Action Network (www.caltan.org) is not against all school bonds and has supported those (i.e. Walnut Valley Unified School District) that contain proper internal controls to prevent waste and encourage good value for taxpayers.

This bond does not include such taxpayer protections. Contracts can be handed to favored contractors and consultants without regard to price!

Worse, this bond lacks a prioritized Project List with estimated project costs for each and a commitment to build the proposed projects in the promised prioritized order. This bond allows pet projects to be built instead of necessary ones.

Why does District need another bond so soon after their last one? Did they handout over priced contracts and put in astroturf fields with the last bond instead of making needed classroom repairs?

Vote NO until they propose a better bond next election.

California Taxpayers Action Network is a San Diego based all-volunteer, statewide network of taxpayer advocates who promote sound fiscal policies, practices and business methods by government entities for the public's benefit and protection.

M. KEVIN O'NEILL
President,
California Taxpayers Action Network

REBUTTAL TO ARGUMENT AGAINST MEASURE DD

The writer of the argument against Measure DD doesn't live anywhere near our community and filed identical arguments against many other school bonds throughout the county, ignoring the facts regarding our local schools.

- Contrary to the opponent's claims, Measure DD isn't a capital appreciation bond, like Poway's, nor does Bonsall have any athletic fields with astro turf.
- Measure DD projects are critical to our community. The school district has carefully evaluated student safety, the deterioration of school facilities and the technology needs of our schools.
- Measure DD funds are subject to audit and oversight by an independent citizens' committee. Funds cannot be used for administrator salaries, benefits or pensions.
- Measure DD will save Bonsall taxpayers millions of dollars by locking in today's low interest rates.
- Measure DD will continue improving our local schools, increase home values and create new construction jobs that will boost our local economy.
- Measure DD will qualify the Bonsall Unified School District for state matching funds. The most economical way to improve our schools is to share the cost with the state. If we do not take advantage of this opportunity, we will be forfeiting our fair share to other California school districts.

By approving Measure DD, you can bring jobs, attract state funding, create better places to learn, continue the job of improving our local schools and ensure that we get the best deal possible at the lowest price.

The choice is clear. Vote YES on Measure DD!

SYLVIA TUCKER
Grandmother & 20-year Bonsall
Unified School District Board Member

RICHARD C. SMITH, Ed D
Property Owner & Taxpayer

RICHARD OLSON
22-year Bonsall Unified School District
Board Member

SHAWN WALKER
Local Business Owner

HANEY HONG
President and CEO
San Diego County Taxpayers Association

FULL TEXT OF MEASURE DD

The following is the full proposition presented to the voters by the Bonsall Unified School District.

“To construct and equip a new high school; install emergency communication systems; reduce traffic hazards for increased student safety; upgrade power/electrical systems; provide health/fitness facilities for student/community use; repair leaky pipes/deteriorating roofs; and replace temporary buildings with permanent classrooms; shall Bonsall Unified School District issue \$58 million of bonds with interest rates below legal limits, independent citizen oversight, and all funds spent locally and not taken by the State and spent elsewhere?”

PROJECT LIST

The Board of Trustees of the Bonsall Unified School District is committed to increasing property values and maintaining the quality of education in local schools with safe, secure, upgraded classrooms and labs for career and technology education to keep pace with 21st century technologies and learning standards. To that end, the Board evaluated the District's urgent and critical facility needs, including safety issues, class size, computer and information technology, and enrollment trends, in developing the scope of projects to be funded. The District conducted a facilities evaluation and received public input in developing this Project List. Teachers, staff, community members and the Board have prioritized **the construction, repair and maintenance of schools** so that student safety is ensured, quality education is provided and property values increase. Therefore, in approving this Project List, the **Board of Trustees determines that the District must:**

- (i) **Construct new classrooms, facilities and school buildings to provide education to the District's growing student population and increase property values; and**
- (ii) **Upgrade or replace existing classrooms, science labs and school buildings which support core academics that are worn out or do not meet current safety codes; and**
- (iii) **Adapt classrooms for more hands-on science, mathematics and modern instruction; and**
- (vi) **ADHERE TO SPECIFIC FISCAL ACCOUNTABILITY SAFEGUARDS SUCH AS:**
 - (a) **An independent citizens' oversight committee must be appointed to ensure that all funds are spent only as authorized.**
 - (b) **All expenditures must be subject to annual independent financial audits.**
 - (c) **No funds can be used for administrators' salaries and pensions.**
 - (d) **All funds must be locally controlled, go to our local schools and cannot be taken by the State.**

FULL TEXT OF MEASURE DD (CONTINUED)

The Project List includes the following types of upgrades and improvements at District schools and sites:

Joint Use. The District may enter into agreements with the County of San Diego, or other public agencies or nonprofit organizations, for joint use of school facilities financed, at least in part, with the proceeds of the bonds. The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Project List.

Scope of Projects. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary contingency, and other costs incidental to and necessary for completion of the listed projects.

The scope and nature of any of the specific projects described below may be altered by the District as required by unforeseen conditions that may arise during the course of design and construction. In the event that a modernization or renovation project will result in higher costs than relocation and construction, this bond measure authorizes relocation and reconstruction, and all costs relating thereto, for said reasons or based on other considerations deemed in the best interest of the District by the Board of Trustees.

Approval of the District's bond measure does not guarantee that all of the identified projects within this Project List will be funded beyond what can be completed with local funds generated by the bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects.

Bond proceeds may also be expended to acquire equipment in any classroom or other educational facility within the District. The District may alter the scope and nature of any of the specific projects that are described below as required by conditions that arise over time.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

NEW HIGH SCHOOL

Proceeds of the Bonds will be used to construct and equip a new high school including but not limited to:

- Classrooms for student learning including English, Math, History/Civics, and Science
- Career Technical Education classrooms
- Library/technology labs
- Gymnasium, playfields, and physical education facilities and a fitness center for student and community use
- Cafeteria
- Multi-purpose room
- Reception/Administration areas

FULL TEXT OF MEASURE DD (CONTINUED)

UPGRADE AND MAJOR REPAIR OF EXISTING FACILITIES

Proceeds of the Bonds will be used to repair, renovate and equip schools and facilities (as listed below) throughout the District. The exact size, configuration and location of each project will be determined by the Board of Trustees based on the needs of the District.

District facilities include:

Bonsall Elementary School
Bonsall West Elementary School
Sullivan Middle School
Vivian Banks Charter School

Repairs, renovations, constructions and equipment acquisitions shall include but not be limited to:

- Repair, construct, and renovate multi-purpose rooms
- Upgrade power and electrical systems to accommodate 21st century technology systems
- Repair and upgrade fire alarm systems as necessary to meet current and new standards
- Renovate and replace aging school facilities
- Renovate and repair grounds including concrete, asphalt, and landscaping
- Install video surveillance, notification and control systems for increased safety
- Install electronic locksets
- Install fencing for increased security
- Landscaping for shade as needed
- Improvements to track and field facilities
- Improvements to traffic and parking for increased student safety
- Install energy efficiency upgrades to schools and district facilities

* * *

The listed projects will be completed as needed. 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 Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment; upgrade or install signage, clocks 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 repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovate student and staff restrooms; repair and replace heating and ventilation systems; upgrade of facilities for energy efficiencies; repair and replace worn-out and deteriorated roofs, windows, walls, doors and drinking fountains; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade or construct support facilities, including administrative, physical education; repair and replace fire alarms, emergency communications and security systems; resurface or replace hard courts, turf, irrigation and drainage systems and campus landscaping; expand parking and drop-off areas; interior and exterior painting, floor covering and tile replacement; demolition; construct various forms of storage and support spaces and classrooms; repair, upgrade and install interior and exterior lighting systems; improve shade structures, and athletic fields; replace outdated security fences, gates and security systems (including access control systems); provide outdoor seating.

FULL TEXT OF MEASURE DD (CONTINUED)

The upgrading of technology infrastructure includes, but is not limited to, servers, switches, routers, modules, sound projection systems, call manager and network security/firewall, wireless technology systems, and other miscellaneous equipment. The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. 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. 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.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF TRUSTEES WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. 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.

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 AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.