

CARDIFF SCHOOL DISTRICT

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

MEASURE GG

To improve the quality of education with local funding that cannot be taken by the State; modernize/construct classrooms, restrooms and school facilities; repair/replace roofs; renovate deteriorating plumbing and sewer systems; upgrade inadequate electrical systems; make health, safety, and energy efficiency improvements; and replace portables with permanent classrooms; shall Cardiff Elementary School District issue \$22 million of bonds at legal interest rates, have an independent citizens' oversight committee, and have NO money used for administrative or teacher salaries?

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 Cardiff School District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$22,000,000 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 \$22,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$22,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in the Cardiff School District (the "District") on November 8, 2016 to authorize the sale of up to \$22,000,000 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 \$.02575 per \$100 (\$25.75 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 \$.02575 per \$100 (\$25.75 per \$100,000) of assessed valuation in fiscal year 2020-21.
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 \$.02575 per \$100 (\$25.75 per \$100,000) of assessed valuation. This vote is projected to apply in each fiscal year that the bonds are outstanding.
4. 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 will be approximately \$45,952,885.

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 sale 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 as determined in the assessment and the equalization process.

Dated: July 7, 2016

Jill Vinson
Superintendent
Cardiff School District

ARGUMENT IN FAVOR OF MEASURE GG

Our schools are the most important assets in our community and should be our highest priority. Quality schools improve student achievement, prepare students for an innovative future, create a greater sense of community and increase property values. Our teachers and staff do an exceptional job educating our Cardiff children. However, many classrooms and buildings in the Cardiff Elementary School District are outdated and do not adequately provide students with the opportunities they deserve to reach their full potential.

The District's first school, Cullen School, was built in 1913. Thirty-seven years later, it was rebuilt as our current Cardiff School. Ada Harris, our second school was first built in 1960 and was rebuilt 42 years later in 2002. Cardiff School classrooms and buildings are now between 55-65 years old and no longer meet 21st century safety, education, and technology standards. With more than 100 years of success in providing quality education, the time has come to rebuild Cardiff School.

Voting YES on Measure GG will:

- Replace leaking roofs, deteriorating plumbing, electrical, and sewer systems
- Make energy efficiency improvements
- Replace deteriorating, temporary portable classrooms
- Make health and safety improvements, including security and earthquake retrofits
- Construct new classrooms and other school facilities to replace 55-65-year old buildings

Measure GG makes financial sense and protects taxpayers:

- By law, spending must be reviewed and audited annually by an independent citizens' oversight committee.
- All bond funds must be spent locally and cannot be taken by the State.
- Funds are required to be spent only on schools, not for administrator or teacher salaries.

Measure GG rebuilds old and inadequate classrooms and school facilities, improves the education of local children, and maintains the quality of our community. That's something we can all support. Please join us and **VOTE YES ON MEASURE GG!**

Endorsements

MARK WHITEHOUSE,
President, Cardiff School Board

JOHN NAJJAR
Owner, Cardiff Seaside Market

ROB MACHADO
Founder, Rob Machado Foundation

TRISH d'ENTREMONT
President, Cardiff Elementary
Teachers Association

HANEY HONG
President and CEO,
San Diego County Taxpayer's Association

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE GG

Cardiff Property Owners

BEWARE

The proposed Cardiff School Bond is ill conceived, completely unnecessary and a waste of taxpayer money.

The Cardiff School District's ballot argument failed to appropriately address the following facts:

- That a viable alternative to the Districts facilities improvement plan exists that **requires no new bonds.**
- That the District is currently 30% overbuilt.
- That student enrollment has continued to decline to just 716 students.
- That the District could someday close Cardiff Elementary and move all students to Ada Harris.
 - A. Improve efficiency
 - B. Reduce Costs
 1. Administration, operation and maintenance
 - C. Provide District income potential.
- That structures the District now wants to demolish were modernized just 13 years ago with 2000 bond money and **taxpayers still have 9 more years to pay to retire this bond.**
- That **property owners would face triple taxation**, if another Cardiff bond is passed.
 1. High property taxes to pay for operations and facilities
 2. Modernization costs of 2000 bond
 3. Demolition and rebuilding costs in 2016 bond
- That the cumulative repayment costs of all bonds is significant.
 1. With the proposed 2016 Cardiff and MiraCosta bonds, the 5,000 District **property owner's school bond obligation will probably double from today's already substantial school tax assessments.**

Bond	Year Approved	Original Amounts
• Cardiff	2000	\$11 million
• San Dieguito High	2012	\$450 million
• Cardiff	2016	\$22 million
• MiraCosta	2016	<u>\$455 million</u>
	Total	\$938 million

The overall taxpayer repayment cost, including principle and interest, could approach \$2 billion.

Stop the Waste **Vote No on Measure GG**

DIETMAR E. ROTHE PH.D.,
Technical Director, Citizens for
Quality of Life (CQL)

MARIE DARDARIAN
Past President Park Place
Bluffs HOA

ROBERT BONDE
President Encinitas Taxpayers Assoc.

JERRY PETERS
Pres. Of the Cardiff
Taxpayers Assoc.

WILLIAM H. FAIRCHILD
President Cardiff Kids

ARGUMENT AGAINST MEASURE GG

Vote No on Measure GG

The proposed new Cardiff Elementary School Facility Bond is unnecessary and a total waste of taxpayer's money. No legitimate justification has been presented for heaping \$22 million (\$46 million with interest) more in debt on local taxpayers. The District is wealthy. Its facility problems are management problems, not money problems.

The District has historically made building maintenance a low priority. Consequently, facility concerns abound. The District's maintenance consultant recommended that approximately 9% of its income be allocated to building maintenance. The District only budgeted 1½%. Not one of the District's 106 employees is dedicated exclusively to performing building maintenance and repair.

Rather than spending its operating money correcting Cardiff School problems, the District is proposing the demolition of structurally sound, fully functional buildings and rebuilding them using a massive new bond tax on property owners.

Be aware, the buildings scheduled for demolition may have been built in the 1950s and 60s but they are not old. They were modernized, at great taxpayer expense, to meet the District's strict education program/specification standards and accepted just 13 years ago. Building repairs and air conditioning can be completed with District money on hand or budgeted.

According to District standards space is available for 30% more students than currently enrolled. Therefore, the District could/should remove the portable classrooms from both schools and not replace them.

The cumulative fiscal impacts of multiple school district improvement bonds on property owners is staggering. If both the proposed MiraCosta and Cardiff 2016 bonds pass and their fees added to the 2012 San Dieguito and the outstanding 2000 Cardiff bond fees, **Cardiff School District taxpayers will be obligated to pay off their share of approximately \$2 billion in school bond taxes over the next 30 years.**

Stop the waste - **Vote No on Measure GG**

DIETMAR E. ROTHE, PH.D.
Technical Director, Citizens for
Quality of Life (CQL)

MARIE DARDARIAN
Past President Park Place
Bluffs HOA

WILLIAM H. FAIRCHILD
President Cardiff Kids

JERRY PETERS
President of the Cardiff
Taxpayers Assoc.

ROBERT BONDE Ed. D
Past President Cardiff Town Council

REBUTTAL TO ARGUMENT AGAINST MEASURE GG

Quality schools are key to providing an excellent education, preserving property values, and maintaining our great community.

Don't be misled by arguments against Measure GG.

Consider the facts:

FACT: The District has successfully maintained classrooms and facilities for students for decades dedicating a substantial portion of its budget annually to keep classrooms in good condition. However, severely outdated schools need major renovations, upgrades, and new construction; not minor maintenance. 55 to 65-year-old classrooms and facilities ARE old and have long outlived their useful lives.

FACT: The last local school improvement measure was approved by over 80% of Cardiff voters to rebuild a school that was 42 years old. Today's classrooms and buildings that will be replaced are 55 to 65 years old.

FACT: The District conducted extensive community research process to determine what's best for Cardiff kids and taxpayers. The District worked with the San Diego County Office of Education, conducted surveys of registered voters and parents, held focus group meetings, and presented the proposal to the San Diego County Taxpayers Association. The overwhelming feedback from the community is to rebuild Cardiff School.

FACT: The typical Cardiff homeowner will see an increase of approximately \$10/month to improve local schools. This is affordable, not "staggering", and a prudent, long-term investment in our community's greatest assets - local children and the schools they attend.

For over 100 years, Cardiff children have received a quality education in clean, modern, and safe schools. The time has come to reinvest in those schools.

Vote YES on Measure GG!

Endorsements

GAIL KING (EWING),
Owner, Cardiff Kids Cottage Preschool

PETE NAJJAR
Owner, Cardiff Seaside Market

CHRIS MACHADO
Former Trustee, Cardiff School Board

RICK CASSAR
Professor, San Diego Miramar College /
Trustee, Mira Costa College

JON COHEN
President, Cardiff Soccer / Author / Journalist

FULL TEXT OF MEASURE GG

This measure may be known and referred to as the Cardiff School District General Obligation Bond of 2016, or Measure GG.

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Cardiff School District (the "District") shall be authorized to issue and sell bonds of up to \$22 million in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List below, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, 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.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Trustees enters the election results on its minutes.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District's regular annual financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

FULL TEXT OF MEASURE GG (CONTINUED)

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Chief Business Official of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31 of the year in which bonds are first issued, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

FURTHER SPECIFICATIONS

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

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 with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). 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 Bond Project List or as otherwise permitted by California State regulations, as the Board of Trustees shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

BOND PROJECT LIST

The Bond Project List below describes the specific projects the Cardiff School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at each school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public.

FULL TEXT OF MEASURE GG (CONTINUED)

Projects for Cardiff School include:

- Replace outdated roofs.
- Renovate or replace existing deteriorating plumbing, drainage, and sewer systems.
- Upgrade inadequate electrical systems including power and low voltage to meet current electrical and accessibility codes, increase capacity, and relieve overloaded systems.
- Improve energy efficiency by replacing old and energy inefficient heating, ventilation, and air conditioning (HVAC) systems, windows, and lighting systems; also, install cost-effective systems including “green” building projects and sustainable building practices to promote energy-efficiency (e.g., Energy Management Systems (EMS), solar, electrical, etc.).
- Replace aging temporary portable classrooms with new classrooms.
- Replace outdated classrooms that are now between 55-65 years old with new classrooms
- Construct new restrooms.
- Construct a new multipurpose room and warming kitchen to replace the current 55 year old building.
- Make health, safety, and security improvements, such as improve student drop-off and pick-up areas, upgrade campus fencing, and renovate/retrofit the “brick building”.
- Replace or upgrade fire alarm systems, fire safety equipment, and emergency exit lighting improvements.
- Replace campus wide intercom and telecommunication systems, clocks, and upgrade wireless systems and internet/network connections.
- Improve handicapped accessibility by making Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades and as mandated by the Division of the State Architect (DSA) including site access, parking, restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.
- Upgrade, renovate and improve library/computer lab, art/science lab, and school office building to be integrated with the newly constructed school facilities.
- Upgrade and improve playgrounds and playfields for school and community use; preserve existing mature trees and other landscaping where possible.
- Resurface, repair, and/or replace paved surfaces, play court areas, turf, and other grounds to eliminate safety hazards and improve outside instructional areas.

FULL TEXT OF MEASURE GG (CONTINUED)

Projects for Ada Harris School include:

- Improve energy efficiency by replacing old and energy inefficient heating, ventilation, and air conditioning (HVAC) systems and lighting systems; also, install cost-effective systems including “green” building projects and sustainable building practices to promote energy-efficiency (e.g., Energy Management Systems (EMS), solar, electrical, etc.).
- Replace aging temporary portable classrooms.
- Replace or upgrade fire alarm systems, fire safety equipment, and emergency exit lighting improvements.
- Replace campus wide intercom and telecommunication systems, clocks, and upgrade wireless systems and internet/network connections.

Miscellaneous District-wide Projects

- Abate and remove hazardous materials identified prior or during construction.
- Address unforeseen conditions revealed by construction/modernization (such as water, sewage or gas line breaks, dry rot, seismic, structural, etc.).
- Other site improvements required to comply with existing building codes, including the Field Act, and access requirements of the Americans with Disabilities Act.
- Necessary preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, preserving, or installing irrigation, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property.
- Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.
- Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase option under leases for any of these authorized facilities.
- All work necessary and incidental to specific projects described above, including demolition of existing structures.

FULL TEXT OF MEASURE GG (CONTINUED)

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 list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. 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 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. Proceeds of the bonds may be used to pay or reimburse the District for the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

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