

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

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

MEASURE VV

To make school safety, security, technology and energy efficiency improvements; repair, construct, acquire and equip classrooms and educational facilities and reduce overcrowding; and replace aging plumbing, sewer and electrical systems shall Chula Vista Elementary School District issue \$150 million in bonds at legal rates, levy \$0.02 per \$100 of assessed valuation (raising an average of \$10 million annually) while bonds are outstanding, with taxpayer oversight, annual audits and no projected increase in the District's current bond tax rate?

Bonds—Yes

Bonds—No

This measure requires approval by 55% of those voting on the measure.
Full text of this measure follows the argument in favor.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure was placed on the ballot by the governing board of the Chula Vista Elementary School District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$150,000,000 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 bondholders, the District promises to pay the bondholders 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 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:

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District evaluates safety, class size reduction, and information technology needs to approve a list of specific projects to be funded,
- (3) the District conducts an annual, independent performance audit to ensure funds have been expended on the specific projects listed, and
- (4) the District conducts an annual, independent financial audit of bond proceeds.

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COUNTY COUNSEL IMPARTIAL ANALYSIS (CONTINUED)

Additionally, if the 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 legal requirements.

Approval of this measure does not guarantee that the specific projects listed by the District will be funded by the sale of the bonds.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$150,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$150,000,000 in general obligation bonds.

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TAX RATE STATEMENT

An election will be held in the Chula Vista Elementary School District (the "District") on November 6, 2018, to authorize the sale of up to \$150,000,000 in bonds of the District for the projects described in the bond measure. If such bonds are authorized, the District expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable only from the proceeds of the tax levies made upon the taxable property in the District. The following information is provided in compliance with sections 9400-9404 of the California Elections Code. Such information is based upon assessed valuations available from official sources and projections based upon experience within the District, and other demonstrable factors. Based upon the foregoing, the following information is provided:

(1) The best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations which are projected based on experience within the District or other demonstrable factors, is \$0.017 per \$100 of assessed valuation (\$17 per \$100,000 of assessed valuation). The final fiscal year in which the tax is anticipated to be collected is Fiscal Year 2043-44.

(2) The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bond issue, based on assessed valuations which are projected based on experience within the District or other demonstrable factors, is \$0.020 per \$100 of assessed valuation (\$20 per \$100,000 of assessed valuation). The estimated year in which the rate would apply is Fiscal Year 2029-30.

(3) The best estimate from official sources of the total debts service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$200,727,600 (\$150,000,000 of principal and \$50,727,600 of interest). This estimate is based on assumptions regarding future interest rates and the term, timing, structure and amount of each series of bonds.

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

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

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

Dated: 7/31/2018

/s/ Oscar Esquivel, Deputy Superintendent
Chula Vista Elementary School District

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ARGUMENT IN FAVOR OF MEASURE VV

Vote YES on Measure VV!

Without increasing current tax rates, Measure VV will allow Chula Vista Elementary School District to repair, upgrade and protect our schools.

Measure VV will provide for **locally controlled funding** for repairs and improvements in classrooms at schools throughout the District. These repairs will include:

- Upgrading and improving building security and communication systems, including new fire alarm systems, security cameras, perimeter fencing, and access gate improvements to restrict site access
- Renovation and replacement of classrooms to reduce overcrowding
- Modernizing technology throughout the District to provide for a 21st century learning environment
- Replacing windows, enhancing clean energy systems, HVAC, and lighting to improve classrooms while lowering operating costs

Measure VV will also protect taxpayers by:

- Qualifying our local school projects for state matching fund eligibility
- Extending rather than raising current tax rates paid by District property owners
- Prohibiting funds from going to administrators' salaries, pensions, or benefits
- Imposing tough legal safeguards requiring all monies to be spent on our local schools
- Prohibiting the State from taking the funds and spending them in other districts

Vote YES on Measure VV to ensure our schools continue offering students the education they need to compete in the modern world.

Vote YES on Measure VV for independent taxpayer oversight and independent financial audits.

Vote YES on Measure VV to build safer schools, improve student achievement, and protect property values.

To build better and safer schools, improve student achievement and protect property values, please join business leaders, teachers, parents, guardians, grandparents, and neighbors in voting YES on Measure VV.

David Bejarano
Retired Police Chief,
Chula Vista

Christopher Carroll
Retired Principal

Cheryl Cox
Former Mayor
of the City of Chula Vista

Pablo Velez
CEO and Sr. VP.
Sharp Chula Vista Hospital

ARGUMENT AGAINST MEASURE VV

No argument against the measure was filed in the office of the Registrar of Voters.

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FULL TEXT OF MEASURE VV

The following is the full proposition presented to the voters by the Chula Vista Elementary School District.

"To make school safety, security, technology and energy efficiency improvements; repair, construct, acquire and equip classrooms and educational facilities and reduce overcrowding; and replace aging plumbing, sewer and electrical systems shall Chula Vista Elementary School District issue \$150 million in bonds at legal rates, levy \$0.02 per \$100 of assessed valuation (raising an average of \$10 million annually) while bonds are outstanding, with taxpayer oversight, annual audits and no projected increase in the District's current bond tax rate?"

PROJECT LIST FOR THE BOND MEASURE

Description of Projects. The Board of Education of the Chula Vista Elementary School District evaluated the facility needs for the District's schools. The Board has determined that critical facilities needs exist at 46 of its schools and at the District's Education Service and Support Center and its Transportation Yard. The Board has established a list of projects to be financed at these schools and District facilities. The District conducted a facilities needs assessment and received input in developing the project list. The Board has prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board has concluded that if these needs are not addressed now, the problems will only become more pressing.

The facilities, improvements and equipment to be financed by the bonds to be issued by the District include the modernization, replacement, renovation, construction, acquisition, equipping and furnishing of the facilities of the District located at the schools and sites listed below.

Anne and William Hedenkamp Elementary School
Arroyo Vista Charter School
Burton C. Tiffany Elementary School
Castle Park Elementary School
Chula Vista Hills Elementary School
Chula Vista Learning Community Charter School
Clear View Elementary School
Corky McMillin Elementary School
Discovery Charter School
District Transportation Center
EastLake Elementary School
Education Service and Support Center
Ella B. Allen Elementary School and Ann Daly Academy
Enrique S. Camarena Elementary School
Fred H. Rohr Elementary School
Greg Rogers Elementary School
Halecrest Elementary School
Harborside Elementary School

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FULL TEXT OF MEASURE VV (CONTINUED)

Hazel Goes Cook Elementary School
Heritage Elementary School
Hilltop Drive Elementary School
J. Calvin Lauderbach Elementary School
John J. Montgomery Elementary School
Joseph Casillas Elementary School
Juarez-Lincoln Elementary School
Karl H. Kellogg Elementary School
Liberty Elementary School
Lillian J. Rice Elementary School
Loma Verde Elementary School
Los Altos Elementary School
Mae L. Feaster Charter School
Myrtle S. Finney Elementary School
Olympic View Elementary School
Otay Elementary School
Palomar Elementary School
Parkview Elementary School
Robert L. Mueller Charter School
Rosebank Elementary School
Saburo Muraoka Elementary School
Salt Creek Elementary School
Silver Wing Elementary School
Sunnyside Elementary School
Thurgood Marshall Elementary School
Valle Lindo Elementary School
Valley Vista Elementary School
Veterans Elementary School
Vista Square Elementary School
Wolf Canyon Elementary School

The projects to be financed at each of the school facilities and sites listed above fall into four categories including safety and security, infrastructure, technology and enhanced energy efficiency as further described below:

- Safety and security improvements including new fire alarm systems, security camera and door hardware improvements, along with perimeter fencing and access gate improvements.

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FULL TEXT OF MEASURE VV (CONTINUED)

- Renovation of existing classrooms including new flooring and painting.
- Site improvements including resurfacing of existing exterior hard courts, parking area improvements, and concrete walkway repairs and improvements to meet Americans with Disabilities Act access requirements.
- Energy efficiency measures include, but are not limited to, new LED lighting, HVAC replacement, and window replacement to improve classroom environments while lowering operating costs.
- Renovation and replacement of modular classroom space for current and future program needs.
- Modifications to space for program support for RSP; school psychologists, counselors and therapists, including dedicated offices, conference rooms, and other administration support areas.
- Increases to data streaming and storage capacity.
- Replacement of play apparatus and rubberized play surfaces.
- Other capital improvements to existing campuses.
- Replacement of existing and installation of new shade structures.

The projects to be financed at the District's Education Service and Support Center and its Transportation Yard include the following:

- Relocation of Transportation Department to the Maxwell Corporate Yard.
- Expansion of existing cooler/freezer storage along with overall facility improvements to Children Nutrition Services.
- Addition of a new data center and improvements to overall bandwidth throughout District.
- Updates to and refurbishment of the District's Education Service and Support Center to meet staffing space needs for program growth and enhancement.

Whenever specific items are included in the list above, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects.

Implementation of Construction Program. Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as needed, and the listing of projects does not imply a particular prioritization among such improvements. Projects may be done in phases, based on Board of Education priorities. Listed projects may be completed at any and all District schools, sites and education buildings where such project is determined necessary. Decisions regarding the scope, timing, prioritization or other facets of project implementation will be made solely by the Board of Education by subsequent action. Where terms such as "renovation," "replacement," "modification," "addition," and "refurbishment" are used in the foregoing Project List for the Bond Measure, the Board of Education shall determine the best method for accomplishing the project's objective. For any listed project involving renovation or modernization of all or a portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the District determines that replacement and new construction is more practical than renovation or modernization, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

Each project financed will include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that are financed by the District on an interim basis through temporary loans, leases, lease-leaseback, or lease-purchase arrangements.

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FULL TEXT OF MEASURE VV (CONTINUED)

The District intends to apply for State matching funds for certain of the projects to be financed. In the absence of such funding, the District may not be able to undertake some of the projects listed above. Approval of this proposition does not guarantee that the proposed projects that are the subject of this proposition will be funded beyond the local revenues generated by this proposition. The District's receipt of matching State funds will be subject to appropriation by the Legislature and approval of a statewide bond measure. In the absence of State matching funds, which the District will pursue to reduce the District's share of the costs of the projects, the District may not be able to complete some of the projects listed above.

The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the projects being financed.

FISCAL ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent only 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 hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the project list contained in this ballot proposition.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure Bond proceeds are expended only on the projects listed in this ballot proposition. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the Bond proceeds have been expended only on the projects listed in this ballot proposition.

Financial Audits. The Board shall conduct an annual, independent financial audit of the Bond proceeds until all of those proceeds have been spent for the projects listed in this ballot proposition.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited which will be a Building Fund to be held by the San Diego County Treasurer, as required by the California Education Code. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board annually 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 the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the repair, construction, reconstruction, rehabilitation or replacement of school facilities including the furnishing and equipping of District schools and facilities or 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.

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