

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Proposition E

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

PROP E

"To repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements, shall School Facilities Improvement District No. 1 of the Chula Vista Elementary School District be authorized to issue \$90 million of bonds with legal interest rates, annual audits, independent citizens' oversight, and all funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere?"

This proposition requires approval by 55%
of the voters voting on the proposition.

Full text of this proposition follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This proposition, if approved by 55% of the votes cast on the proposition, will authorize the School Facilities Improvement District No. 1 of the Chula Vista Elementary School District ("District") to issue and sell \$90,000,000 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 holders, the District promises to pay the holder of the bonds an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure also will authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate revenue to pay the principal and interest on the bonds in an amount sufficient to pay the interest 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 proposition 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, cannot exceed 12% per annum. The final maturity date of any bond could be no later than 25 years or 40 years after the date the bonds are issued as determined by the District.

COUNTY COUNSEL IMPARTIAL ANALYSIS (Continued)

The tax authorized by this proposition 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 the acquisition or improvement of real property, 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, by evaluating safety, class size reduction, and information technology, 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 proposition subject to these requirements.

Approval of this proposition 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 proposition.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$90,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$90,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in the School Facilities Improvement District No. 1 of the Chula Vista Elementary School District (the "Improvement District") on November 6, 2012 to authorize the sale of \$90,000,000 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 a projection of assessed valuations available at the time of filing of this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation in fiscal year 2013-14.
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 a projection of assessed valuations available at the time of filing of this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation in fiscal year 2018-19.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement, is \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation.
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 \$.02900 per \$100 (\$29.00 per \$100,000) of assessed valuation.

These projections of assessed valuations and tax rates are based on experience within the Improvement District and are 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 assessed valuation in each year. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the Improvement District. Actual assessed valuations will depend upon the amount and value of taxable property within the Improvement District as determined in the assessment and the equalization process.

Dated: July 11, 2012

Oscar Esquivel,
Assistant Superintendent, Business Services and Support
Chula Vista Elementary School District

ARGUMENT IN FAVOR OF PROPOSITION E

Chula Vista is a strong, thriving and desirable community, known throughout the state for the quality of its elementary schools. But many of the schools and classrooms in the Chula Vista Elementary School District have become inadequate to provide students with the learning environment needed to succeed.

While our facilities have been well maintained over the years, many of our schools were built over 30 years ago. Our classrooms and schools require major upgrades and improvements to meet today's technological, educational, and safety standards.

Your YES vote on Proposition E will create a lasting, positive impact on the quality of our schools and neighborhoods and the values of our homes.

Proposition E will improve our children's classrooms and school facilities by:

- Upgrading classrooms with up-to-date wireless technology.
- Repairing and modernizing aging classrooms and school facilities throughout the District.
- Replacing temporary classrooms that have exceeded their useful life with new permanent classrooms.
- Installing energy cost saving systems.
- Upgrading and replacing outdated heating, ventilation, and air conditioning systems.

Proposition E makes financial sense and has taxpayer protections in place:

- Iron-clad restrictions that no funds can be spent on administrative salaries, benefits or pensions.
- Annual review by an independent citizens' oversight committee of all expenditures.
- Legally required annual audits of all spending.
- Interest rates are at historic lows. By borrowing at these lower rates, taxpayers will save tens of millions of dollars in interest.
- By law, Proposition E funds **MUST** be used for our children's schools and **CANNOT BE TAKEN AWAY BY THE STATE AND SPENT ELSEWHERE!**

Proposition E will improve our children's education, help maintain housing values, stimulate our local economy, and save taxpayers millions of dollars in interest.

Proposition E deserves our support.

Please join us and VOTE YES ON PROPOSITION E!

DAVID BEJARANO
Clerk, Board of Education

LILIA CARNAHAN
District Advisory Counsel, Past Chair

CESAR ROMERO
Operations Manager of General
Services and Procurement

BERNARDO VASQUEZ
Local Business Owner

CHERYL COX
Mayor, City of Chula Vista

ARGUMENT AGAINST PROPOSITION E

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

CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Proposition E

BALLOT PROPOSITION – FULL TEXT

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

"To repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements, shall School Facilities Improvement District No. 1 of the Chula Vista Elementary School District be authorized to issue \$90 million of bonds with legal interest rates, annual audits, independent citizens' oversight, and all funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere?"

PROJECT LIST

The Board of Education of the Chula Vista Elementary School District evaluated the facility needs for 31 of the District's oldest schools that have not had the benefit of the facilities improvements made in the District's newest schools which have been financed by special taxes levied on newly developing areas of the District. The Board has determined that critical facilities needs exist at these 31 schools. The Board has established School Facilities Improvement District No. 1 of the Chula Vista Elementary School District (the "Improvement District") in order to authorize the financing of improvements at these 31 schools. In developing the list of projects for these schools, the Board has evaluated safety issues, class size reduction, and information technology needs. The District conducted a facilities evaluation 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 and improvements to be financed by the bonds issued for the Improvement District include the modernization, replacement, renovation, construction, acquisition, equipping, furnishing, and other improvements to the facilities of the District located at the following schools.

School	Year Constructed
Ella B. Allen Elementary School	1947
Castle Park Elementary School	1952
Chula Vista Learning Community Charter School	2001
Chula Vista Hills Elementary School	1989
Clear View Elementary School	1991
Hazel Goes Cook Elementary School	1954
Mae L. Feaster Charter School	1950
Myrtle S. Finney Elementary School	1961
Halecrest Elementary School	1961
Harborside Elementary School	1953
Hilltop Drive Elementary School	1943
Juarez-Lincoln Elementary School	1970
Karl H. Kellogg Elementary School	1958
J. Calvin Lauderbach Elementary School	1956
Loma Verde Elementary School	1964
Los Altos Elementary School	1971
John J. Montgomery Elementary School	1950
Robert L. Mueller Charter School	1955
Otay Elementary School	1975
Palomar Elementary School	1959
Parkview Elementary School	1970
Lillian J. Rice Elementary School	1938
Greg Rogers Elementary School	1962
Fred H. Rohr Elementary School	1965
Rosebank Elementary School	1952
Silver Wing Elementary School	1968
Sunnyside Elementary School	1959
Burton C. Tiffany Elementary School	1975
Valle Lindo Elementary School	1967
Valley Vista Elementary School	1969
Vista Square Elementary School	1953

Such projects shall include but shall not be limited to:

- Upgrade computer labs and classrooms with up-to-date computers and wireless technology.
- Enhance technology infrastructure.
- Install energy cost-saving systems.
- Improve student safety by installing additional lighting, fencing, and security equipment.
- Repair and modernize aging school facilities.
- Replace relocatable classrooms that exceeded useful life and replace with new or permanent structures.
- Improve and/or replace heating, ventilation, and air-conditioning systems to improve energy efficiency.
- Upgrade playground safety fall zones.
- Upgrades for Americans with Disabilities Act compliance such as the installation of panic hardware and accessibility infrastructure.
- Upgrade and modernize restroom and classroom accessories and lighting.
- Upgrade and modernize electrical systems.
- Upgrade and modernize to energy efficient window systems.
- Upgrade and modernization of food services facilities.

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.

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 management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. Each of the projects listed above includes the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by the projects. 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 cost 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 enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping 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, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property. 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 Improvement 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 school facilities 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 school facilities 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 school facilities 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. 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 construction, reconstruction, rehabilitation, or replacement of school facilities including the furnishing and equipping of school 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.

The proceeds of the Bonds will be deposited into a Building Fund to be held by the San Diego County Treasurer as required by the California Education Code.