

Menlo Park City School District

Measure W

“To support high quality education, avoid student overcrowding at our existing schools as enrollment continues to increase, and renovate and expand educational facilities at the O’Connor Elementary School site planned to reopen in Menlo Park’s Willows neighborhood, all as described in the Bond Project List, shall the Menlo Park City School District issue \$23 million of bonds at legal interest rates, establish an independent citizens’ oversight committee, perform annual audits, and use no bond money for teacher or administrator salaries?”

Full Text

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the Menlo Park City School District (the “District”) shall be authorized to issue and sell bonds of up to \$23,000,000 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 Education 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. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.

Independent Citizens’ Oversight Committee. The Board of Education 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 Education enters the election results on its minutes. The Board of Education may, but need not, constitute the Citizens’ Oversight Committee as the existing School Construction Oversight Committee responsible for reviewing other bonds of the District.

Annual Performance Audits. The Board of Education 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 Education 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.

Special Bond Proceeds Account; Annual Report to Board.

Upon approval of this proposition and the sale of any bonds approved, the Board of Education 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 fiscal officer of the District shall cause a report to be filed with the Board of Education no later than December 31 of each year, commencing December 31, 2013, 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 of Education.

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 City of Menlo Park 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 Education 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 under provisions of the Education Code.

BOND PROJECT LIST

The Bond Project List below describes the specific projects the Menlo Park City School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on 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, which may include State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Education cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of

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some projects may be subject to further government approvals by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. The Board of Education may make changes to the Bond Project List in the future consistent with the projects specified in the proposition.

The following projects are authorized to be carried out at the following District site:

O'Connor school site (275 Elliot Drive, Menlo Park)

- Acquisition, construction, renovation, furnishing and equipping of classrooms and instructional facilities, including but not limited to all projects and improvements necessary to re-open the facility for use as a District school, and the acquisition of property, as needed, adjacent to or related to the O'Connor school site.
- Construction, renovation, furnishing and equipping of multi-purpose and specialized facilities, including, but not limited to, science labs, art rooms, music classrooms, libraries and media and computer facilities, reception, administrative offices, staff and teacher workrooms, kitchen, lunch shelters, support spaces, nurses' offices, staff break rooms, restrooms, and janitorial and storage facilities.
- Installation of, and upgrades and repairs to utility systems and infrastructure, including, but not limited to, those relating to electricity, gas, water, firewater, storm water, sewer and wastewater, cable for digital media, telephone, fire alarm, satellite signal reception, and building and grounds security.
- Acquisition and installation of, and upgrades to technology equipment and infrastructure, including, but not limited to, computers, audio-visual equipment and other electronic equipment, wireless internet capabilities, network switches, integrated security systems and other integrated systems such as interactive whiteboards or similar technologies.
- Improvements and repairs to the school site, including, but not limited to, parking lots, drop-off and pick-up areas, storm drainage systems, playgrounds and playground equipment, playfield and hard-court play areas, field renovation, the running track, landscaping, sidewalks and walkways, perimeter and site fencing, the arcade, seat-walls, amphitheaters, signage, covered eating areas, covered walkways, balconies and canopies.
- Improvements, repairs and new construction to bring facilities into compliance with building and other code requirements.
- Modernization and upgrades to school facilities including, but not limited to repairs to and replacements for windows, doors, hardware, roofing and building envelop replacements, carpet, flooring, ceiling, wall finishes, casework, Americans with Disabilities Act (ADA) accessibility construction and upgrades, site access, parking, staff and student restrooms, relocation of electrical devices, drinking fountains, playground equipment, and elevator installation.
- Acquisition, installation and upgrades of energy efficiency systems, including, but not limited to, installation of solar generation and solar energy systems and rehabilitating and replacing outdated heating, ventilation and air conditioning systems, replacing outdated lighting, windows, window coverings, and retrofitting existing facilities with energy saving improvements such as upgraded insulation, efficient lighting, energy management systems and climate control.
- Construction, equipping and furnishing of temporary classrooms.

The following listed projects are authorized to be carried out at the following District sites:

Encinal Elementary School (195 Encinal Avenue, Atherton)

Laurel Elementary School (95 Edge Road, Atherton)

Oak Knoll Elementary School (1895 Oak Knoll Lane, Menlo Park)

Hillview Middle School (1100 Elder Avenue, Menlo Park)

- Construct, repair, replace or modify roofs or portions of roofs.
- Perform seismic and structural upgrades.
- Replace or repair energy efficiency systems, including, but not limited to, lighting and energy management systems.
- Equip, renovate and improve security systems (such as fencing, alarm systems and security monitoring systems).
- Renovate, repair and upgrade classroom and multi-purpose room interior facilities, including, but not limited to, ceilings, flooring, wall finishes, painting and casework and audio-video systems).
- Construct, renovate, repair and upgrade classroom and storage spaces.

Each project listed is assumed to include its share of costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to or necessary for completion of the listed projects (whether work is performed by the District or by third parties), including:

- Remove, dispose of, or otherwise remediate hazardous materials, including asbestos, lead, etc., where necessary.
- Address unforeseen conditions revealed by construction/modernization (including plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, demolition of existing structures, removing, replacing, or installing irrigation and drainage, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, traffic lights and mitigation, 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 a lease for any of these authorized facilities.
- Furnishing and equipping of existing and newly constructed, modernized or rehabilitated classrooms and facilities on an ongoing basis, including to replace worn, broken, or out-of-date furniture and equipment for all

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classrooms, athletic facilities and other facilities, as needed.

For any project involving renovation, modernization, remodeling or rehabilitation of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the Board of Education determines that replacement and new construction is more practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

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

Tax Rate Statement

An election will be held in the Menlo Park City School District (the "District") on November 5, 2013, to authorize the sale of up to \$23,000,000 in bonds of the District to finance school facilities as described in the measure. If the bonds are approved, the District plans to sell the bonds in one series over a period of approximately one year. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information presented in numbered paragraphs 1-3 below is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the maximum tax rate which would be required to be levied 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 no more than eighty-seven one hundredths of a cents per \$100 (\$8.70 per \$100,000) of assessed valuation in fiscal year 2014-15.
2. The best estimate of the maximum tax rate which would be required to be levied 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 no more than eighty-seven one hundredths of a cent per \$100 (\$8.70 per \$100,000) of assessed valuation in fiscal year 2014-15.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is eighty-seven one hundredths of a cent per \$100 (\$8.70 per \$100,000) of assessed valuation, which is estimated to apply in fiscal year 2014-15.

Approval of the ballot measure authorizes the issuance of bonds under certain conditions, and is not approval of a specific tax rate or a specific bond issuance plan. The tax rate estimates in this statement reflect the District's current projection of future assessed values and of future debt service payments, which are based on certain assumptions. 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 and repayment structure of bonds sold, 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 of the bonds and the amount and repayment structure of bonds sold at any given time will be determined by the District based on its need for construction funds, its intention to meet the tax rate targets stated above, the legal limitations on bonds approved by a 55% vote, and other factors. The actual interest rates at which the bonds are 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 County Assessor in the annual assessment and the equalization process.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property in the District as shown on the County's official tax rolls, 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.

/s/ **Maurice Ghysels**
Superintendent
Menlo Park City School District

June 18, 2013

Menlo Park City School District

Arguments in support of or in opposition to the proposed laws are the opinions of the authors.

Impartial Analysis of Measure W

Education Code Section 15100 authorizes a school district to issue bonds for specified purposes. However, the voters must first approve the issuance of the bonds at an election. Education Code Section 15266 provides the measure passes if 55% of those voting on it vote for the measure.

The Board of Education of the Menlo Park City School District has proposed this measure, which would authorize the District to issue bonds in an amount not to exceed \$23 million. The bonds will have an interest rate not exceeding the legal maximum and will mature in a maximum of 25 or 40 years from the date of issuance of the bonds, depending on how the bonds are issued. The District's best estimate of the average tax rate levy per year per \$100,000 of assessed valuation to fund this bond is \$8.70 for fiscal year 2014-2015. The District's best estimate of the highest average tax rate levy per year per \$100,000 of assessed valuation to fund this bond is \$8.70.

The California Constitution requires the listing of specific school facilities projects to be funded from the bond revenue and certification that the Board has evaluated safety, class size reduction, and information technology needs in the development of that list. The District's "Bond Project List" for the proposed bond is attached to the full text of the measure and lists two categories of projects. For the O'Connor school site, the projects include: acquiring, constructing, and equipping classrooms, multipurpose rooms, and specialized facilities permitting the District to re-open the site as a school; installing and upgrading utility and technology systems and infrastructure; improving and repairing the site; improving, repairing, and modernizing the site for compliance with code requirements and to improve functionality and accessibility; installing and upgrading energy efficient systems; and constructing and furnishing temporary classrooms. For four other sites—Encinal Elementary, Laurel Elementary, Oak Knoll Elementary, and Hillview Middle Schools—the projects include: repairing or modifying roofs; performing seismic and structural upgrades; replacing, repairing, or improving energy efficiency and security systems; and renovating and upgrading classrooms, multipurpose rooms, and storage spaces. The Bond Project List should be reviewed for further specifics.

The California Constitution and Education Code require the District to take certain steps to account for the proceeds from the sale of the bonds. The District will direct the funds to be deposited into a special account, appoint a citizens' oversight committee, conduct annual independent performance and financial audits to assure that funds are spent only on the listed improvements and for no other purposes, and prepare annual reports listing the amount of funds collected and expended and the status of any funded project.

A "yes" vote on this measure would authorize the Menlo Park City School District to issue bonds in an amount not to exceed \$23 million for the purposes listed in the "Bond Project List."

A "no" vote would preclude the Menlo Park City School District from issuing the bonds.

This measure passes if 55% of those voting on the measure vote "yes".

Argument in Favor of Measure W

Menlo Park City School District elementary schools are overcrowded due to explosive enrollment growth—over 40% in the past decade. Growth is projected to continue for at least the next ten years. Laurel, Encinal, and Oak Knoll are currently operating at approximately 220 students over planned capacity. District students have an immediate need for additional classroom space to alleviate overcrowding at all three schools.

The Solution:

Measure W will raise the local funds necessary to build a school on the Menlo Park City School District-owned O'Connor site with classroom capacity to serve current and future enrollment needs.

The need for another campus is clear:

- ✓ All existing elementary campuses are operating significantly above planned enrollment capacity.
- ✓ Enrollment is projected to grow by up to 400 students over the next decade—the size of a new elementary school.
- ✓ The existing building at the O'Connor site is almost 60 years old. With only ten classrooms, it lacks sufficient classroom space, and will require substantial upgrades to meet modern safety codes and standards of Menlo Park City School District campuses.

WITHOUT approval of Measure W:

- ✓ Class sizes will increase at all elementary campuses due to lack of additional classroom space.
- ✓ Heavy school traffic will further impact surrounding neighbors and may compromise student safety.
- ✓ Core educational programs and facilities—hands-on science, music, physical education, and art—will be displaced to accommodate classrooms.

The District has already maximized facilities on existing campuses. We need Measure W to address extraordinary enrollment growth. The cost is reasonable. The 25-year bond is estimated to cost the District's property owners an annual average of \$8.70 per \$100,000 of assessed (not market) value.

We must continue to invest in the schools in our community. Great schools support students, protect and enhance our property values, and make for great communities.

Vote YES on Measure W. For more information visit www.SupportMenloParkSchools.org.

/s/ **Carol Orton** July 2, 2013
Small Business Owner

/s/ **Tom LeMieux** July 18, 2013
Realtor

/s/ **Allen Weiner** July 18, 2013
Trustee, Sequoia Union High School Governing Board

/s/ **Rebecca Bloom** July 10, 2013
Community Volunteer

/s/ **Nancy Kessler** August 13, 2013
Community Volunteer

No Argument Against Measure W Submitted