

## **RESOLUTION #2017-08**

### **RESOLUTION OF THE BOARD OF TRUSTEES OF THE FOUNTAIN VALLEY SCHOOL DISTRICT ORDERING A SCHOOL BOND ELECTION FOR NOVEMBER 8, 2016, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Board of Trustees ("Board") of the Fountain Valley School District ("District"), situated within the County of Orange ("County"), is committed to providing a rigorous and high quality education for all students in the District; and

WHEREAS, District schools are consistently among the highest-performing in Orange County and California, which protects local home values and keeps our community a strong and desirable place to live; and

WHEREAS, all District schools were built over 40 years ago, and the District has determined that repairs and improvements to fix aging, deteriorating and inefficient classroom, library, lab and school site infrastructure, including but not limited to roofs, site utilities, technology infrastructure, interior walls, doors, flooring, paint and access are needed to keep our schools well-maintained and ensure they can continue serving our community well for decades to come; and

WHEREAS, most classrooms lack air conditioning, resulting in uncomfortable temperatures that can reach 85 to 100 degrees; and

WHEREAS, providing spaces through new construction, replacement of aging portable classrooms, or reconfiguration of existing space, is needed to support high quality instruction in science, technology, engineering, arts, and mathematics (STEAM), enabling local students to access the education, technology and skills training they need to succeed in high school, college and careers and compete in a global economy; and

WHEREAS, the District has prepared a Facility Master Plan with input from over 200 parents, teachers, staff, principals and members of the community to identify the upgrades needed at each school site in order to improve safety and ensure our schools support 21st-century education; and

WHEREAS, the District convened a School Facilities Engagement ("SFEC") Committee comprised of over 60 key community stakeholders to learn about the District's facilities, to review the Facility Master Plan and the \$280 million dollar estimated cost of implementing all of the District's current facility needs, to review sources of available funding to meet those needs, and to recommend next steps for how to prioritize and complete the identified facilities repairs and improvements; and

WHEREAS, the SFEC Committee developed a set of consensus recommendations, which included a recommendation that the District pursue a general obligation bond measure to fund the most urgently needed educational infrastructure and facilities improvements contained in the Facility Master Plan, including, without limitation, the following:

- Classroom environment improvements focusing on air quality, climate and windows reflecting efficient energy management;
- Heating, ventilation, air conditioning (HVAC) systems, including basic infrastructure upgrades to support them; and
- Program spaces and 21<sup>st</sup> century learning environment upgrades; and

WHEREAS, a bond measure will benefit local schools and no funds can be taken away by the State or other school districts, and by law, no money can be used for administrator salaries or pensions; and

WHEREAS, a bond measure requires strict fiscal accountability protections, including mandatory annual audits and an independent citizens' oversight committee comprised of local residents to ensure funds are managed appropriately and spent only on projects identified in the bond project list; and

WHEREAS, the Board is authorized to order elections within the District and to designate the specifications thereof, pursuant to sections 5304 and 5322 of the California Education Code ("Education Code"); and

WHEREAS, the Board is specifically authorized to order elections for the purpose of submitting to the electors the question of whether bonds of the District shall be issued and sold for the purpose of raising money for the purposes hereinafter specified, pursuant to section 15100 *et seq.* of the Education Code; and

WHEREAS, pursuant to section 18 of Article XVI and section 1 of Article XIII A of the California Constitution, and section 15266 of the Education Code, school districts may seek approval of general obligation bonds and levy an *ad valorem* tax to repay those bonds upon a 55% vote of those voting on a proposition for that purpose, provided certain accountability measures are included in the proposition; and

WHEREAS, the Board deems it necessary and advisable to submit such a bond proposition to the electors to be approved by fifty-five percent (55%) of the votes cast to address the needs of aging classrooms and facilities; and

WHEREAS, such a bond election must be conducted concurrent with a statewide primary election, general election or special election, or at a regularly scheduled local election, as required by section 15266 of the Education Code, and on November 8, 2016, an election is scheduled to occur throughout the District; and

WHEREAS, pursuant to section 15270 of the Education Code, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed \$30 per year per \$100,000 of assessed valuation of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution; and

WHEREAS, section 9400 *et seq.* of the California Elections Code requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; and

WHEREAS, in the judgment of the Board, it is advisable to request that the Orange County Registrar of Voters (the "County Registrar") act as the election official and call an election and submit to the registered voters of the District the full ballot proposition as detailed below; and

WHEREAS, the Board desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election.

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Education of the Fountain Valley School District as follows:

*Section 1. Specifications of Election Order.* Pursuant to sections 5304, 5322, 15100 *et seq.*, and section 15266 of the Education Code, an election shall be held within the District on November 8, 2016, for the purpose of submitting to the registered voters of the District the full ballot proposition contained in **Exhibit B** ("Full Ballot Text").

*Section 2. Abbreviation of Proposition.* Pursuant to section 13247 of the California Elections Code and section 15122 of the Education Code, the Board hereby directs the County Registrars to use the abbreviation of the Full Ballot Text that is attached hereto as **Exhibit A**.

*Section 3. Voter Pamphlet.* The County Registrar is hereby requested to reprint the Full Ballot Text in its entirety in the voter information pamphlet to be distributed to voters pursuant to section 13300 *et seq.* of the Elections Code. In the event the Full Ballot Text cannot be printed in the voter information pamphlet in its entirety, the County Registrar is hereby requested to print, immediately below the impartial analysis of the bond proposition, in no less than 10-point boldface type, a legend substantially as follows:

"The above statement is an impartial analysis of Measure \_\_\_\_\_. If you desire a copy of the measure, please call the Orange County Registrar of Voters at \_\_\_\_\_ and a copy will be mailed at no cost to you."

*Section 4. Accountability Measures.* Pursuant to legal requirements, and as specified in the Full Ballot Text, the Board certifies that the District:

- (a) Has evaluated the facilities needs of the District and has evaluated safety, class size reduction and information technology needs in developing the Bond Project List contained in the Full Ballot Text;
- (b) Will establish an independent citizens' oversight committee to ensure that bond proceeds are expended only for the school facilities projects described in the Bond Project List, in accordance with Education Code section 15278 *et seq.*;
- (c) Will conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List;
- (d) Will conduct or cause to be conducted an annual independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List; and
- (e) Shall take all actions to establish an account in which proceeds of the sale of the bonds will be deposited, and to cause a report to be filed with the Board no later than January 1 of each year, identifying proceeds received and expended in that year and the status of any project funded or to be funded with bond proceeds, commencing as of the first January after which bond proceeds have been issued.

*Section 5. Orange County Taxpayer Association Criteria.* In its capacity as stewards of public funds, the Board will develop and implement a fiscally responsible, accountable and transparent bond program, conducted in accordance with the following principles and actions:

- (a) There is a clear need to build and modernize facilities, as documented by the Facilities Master Plan.
- (b) The Bond Project List describes specifically how bond funds will be spent. The District has sought extensive community input in developing the Bond Project List and shall continue to seek input as projects are implemented.
- (c) The projects to be funded are capital facilities. The District shall not spend bond money on routine annual maintenance, operations, or teacher and administrator salaries and benefits.
- (d) The facilities will have useful lives at least as long as the term of the bonds, currently expected to be 25 years, so that future property taxpayers will realize benefit from their taxes. Bond funds will not be used to pay for computers and computing devices, vehicles, audio-visual aids, or other devices that will become obsolete while the bond debt is outstanding.
- (e) Bonds will be issued incrementally, in multiple series, in response to the District's needs and prevailing interest rates, rather than all at once.
- (f) The bond's interest rates will be no higher than the market rates for municipal bonds.
- (g) A sinking fund, equivalent to 2%-4% of the value of the bonds issued, will be set aside from the General Fund into an interest-earning account for future construction and deferred maintenance and other major repair needs; specifically, the District will set aside approximately \$1.2 million over the 5 year bond issuance plan.
- (h) The District will budget at least 2 percent of its operating budget towards the routine annual maintenance of facilities;
- (i) The District will maintain a level of reserve equal to at least 2 percent of General Fund expenditures for economic uncertainties, such reserves to be funded by general fund dollars and not bond funds;
- (j) The District will have an annual outside, independent audit of bond proceeds and expenditures;
- (k) The Board will appoint a citizens' oversight committee, composed of local community members, who shall verify that bond proceeds are spent in accordance with the District's bond project list. No employee, official, vendor, contractor or consultant of the District shall be appointed to the citizens' oversight committee.
- (l) Projects to be funded will be eligible for State of California matching funds, if available.
- (m) The District does not plan to build and maintain its bond-financed facilities under a Project Labor Agreement.

*Section 6.* Required Vote. Pursuant to section 18 of Article XVI and section 1 of Article XIII A of the State Constitution, the above proposition shall become effective upon

the affirmative vote of at least fifty-five percent (55%) of those voters voting on the proposition.

*Section 7.* Request to County Officers to Conduct Election. The County Registrar is hereby requested, pursuant to section 5322 of the California Education Code, to take all steps to call and hold the election in accordance with law and these specifications.

*Section 8.* Consolidation of Election and Canvass of Vote.

(a) Pursuant to section 10403 and 10418 of the Elections Code, the election shall be consolidated with the election on November 8, 2016.

(b) The Board of Supervisors of the County is authorized and requested to canvass the returns of the election, as necessary, pursuant to section 10411 of the Elections Code.

*Section 9.* Delivery of Order of Election to County Officers. The Clerk of the Board is hereby directed to deliver or cause to be delivered, no later than August 12, 2016, (which date is 88 days prior to the date set for the election), one copy of this Resolution to the County Registrar with the completed Tax Rate Statement (in substantially the form attached hereto as **Exhibit C**), completed and signed by the Superintendent ("Superintendent"), and shall file a copy of this Resolution with the Clerk of the Board of Supervisors of the County.

*Section 10.* Ballot Arguments. The members of the Board are hereby authorized, but not directed, to prepare and file with the County Registrar a ballot argument in favor of the proposition contained in Section 1 hereof, within the time established by the County Registrar.

*Section 11.* Intention to Reimburse. The District may incur costs associated with bond-funded projects described in **Exhibit B** hereto prior to the issuance of bonds. For purposes of establishing compliance with the requirements of Section 1.150-2 of the regulations of the U.S. Treasury Department, the Board hereby declares its official intent to use proceeds of the bond to reimburse itself for lawful expenditures on capital projects described on the Bond Project List, up to a maximum principal amount of \$63,000,000.

*Section 12.* Further Authorization. The members of this Board, the Superintendent, and all other officers of the District are hereby authorized and directed, individually and collectively, to do any and all things that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including modification of the Full Ballot Text, the ballot measure summary or Tax Rate Statement if he or she determines such modifications are necessary and in the District's best interests. Any such modifications shall be ratified thereafter by the Board.

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*Section 13.* Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this day, August 11, 2016 by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

APPROVED:

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Jeanne Galindo, Board President  
Fountain Valley School District

Attest:

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Lisa Schultz, Board Clerk  
Fountain Valley School District

**EXHIBIT A**

**SUMMARY OF BALLOT MEASURE**

In order to:

- Repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems;
- Upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology;
- And improve student safety and campus security

shall Fountain Valley School District issue \$63 million in bonds at rates within legal limits, with independent citizen oversight, no money for administrators, and all money staying local?

Bonds – Yes \_\_\_\_\_

Bonds – No \_\_\_\_\_

## **EXHIBIT B**

### **FOUNTAIN VALLEY SCHOOL DISTRICT BOND PROPOSITION FULL BALLOT TEXT**

By approval of this proposition by at least 55% of the registered voters voting thereon, the Fountain Valley School District ("FVSD") shall be authorized to issue and sell bonds of up to \$63 million in aggregate principal amount to provide financing for the specific school facilities projects listed below in the Bond Project List, subject to all of the accountability safeguards specified herein.

#### **KEY FINDINGS**

- FVSD provides a rigorous and high quality education for our students, consistently performing among the top school districts in Orange County and California; and
- Because great schools increase home values, with eight out of ten FVSD schools receiving the California Gold Ribbon Schools Award in the last two years, FVSD schools keep our community a strong and desirable place to live; and
- Despite strong student achievement, all of our schools were built more than 40 years ago and need basic repairs to protect student safety and provide a rigorous and high-quality education so that our schools can serve our community for decades to come; and
- Repairs and improvements to fix aging, deteriorating and inefficient classroom, library, lab and school site infrastructure, including but not limited to roofs, site utilities, technology infrastructure, interior walls, doors, flooring, paint and access are needed to keep our schools well-maintained; and
- Most classrooms lack air conditioning, resulting in uncomfortable temperatures that can reach 85 to 100 degrees; and
- Providing spaces through new construction, replacement of aging portable classrooms, or reconfiguration of existing space, is needed to support high quality instruction in science, technology, engineering, arts, and mathematics (STEAM), thereby enabling local students to access the education, technology and skills training they need to succeed in high school, college and careers and compete in a global economy; and
- FVSD conducted a comprehensive facility master planning process involving more than 200 participants to thoroughly assess the upgrades local school need to continue providing a top-notch education; and
- FVSD also convened a School Facilities Engagement ("SFEC") Committee comprised of over 60 key community stakeholders to learn about FVSD's facilities, to review the Facility Master Plan and the \$280 million dollar estimated cost of implementing all of FVSD's current facility needs, to review sources of available funding to meet those needs, and to recommend next steps for how to prioritize and complete the identified facilities repairs and improvements; and
- The SFEC Committee developed a set of consensus recommendations, which included a recommendation that FVSD pursue a general obligation bond measure to fund the most urgently needed educational infrastructure and facilities improvements as described further herein; and

- This bond measure will benefit FVSD schools and no funds can be taken away by the State or other school districts, and by law, no money can be used for administrator salaries or pensions; and
- This bond measure requires strict fiscal accountability protections including mandatory annual audits and an independent citizens' oversight committee composed of local residents to ensure funds are managed appropriate and spent on projects listed on the Bond Project List; and
- Specifically, as further described in the Bond Project List, the Board of Trustees desires to:
  - Repair and modernize aging classrooms and school facilities, including repairing deteriorating roofs, plumbing, electrical and air conditioning systems;
  - Upgrade classrooms, science labs, libraries, facilities and technology that support student achievement in reading, math, arts, science and technology; and
  - Improve student safety and campus security.

### **ACCOUNTABILITY MEASURES**

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent 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 section 15264 *et seq.* of the California Education Code).

***Evaluation of Needs.*** The Board of Trustees has evaluated the facilities needs of the District, and determined which projects to finance from a local bond measure at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

***Independent Citizens' Oversight Committee.*** The Board of Trustees shall establish an independent citizens' oversight committee to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date when the Board of Trustees enters the results of the election in its minutes.

***Annual Performance Audit.*** The Board of Trustees shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

***Annual Financial Audit.*** The Board of Trustees shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

***Annual Report to Board.*** Upon approval of this measure and the sale of any bonds approved, the Board of Trustees 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 shall cause a report to be filed with the Board of Trustees no later than January 1 of each year, commencing January 1, 2017, 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 into the annual budget, audit, or other appropriate routine report to the Board.

## **BOND PROJECT LIST**

This Bond Project List, which is an integral part of this proposition, describes the specific projects the District proposes to finance with proceeds of the bonds.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and **not** for any other purpose, including teacher and administrator salaries and other school operating expenses.

In order to meet all identified facility needs, the District intends to complete the following projects using a combination of funding sources. Other anticipated sources may include joint-use funds, development impact fees, state funds, and other available funds. The District will pursue state matching funds if and when they become available, and if received, they will be used for and mainly applied to projects on the Bond Project List or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c). Approval of this measure does not guarantee that all of the proposed projects on the Bond Project List will be funded beyond the bond revenues generated by the measure. The Bond Project List contains some projects that may be dependent on the receipt of state matching funds for completion.

Bond proceeds will be expended to upgrade, repair, expand, modernize, replace, renovate, construct, furnish and equip facilities of the District including the following types of projects at:

Roch Courreges Elementary School – Built 1975  
James H. Cox Elementary School – Built 1970  
Harry C. Fulton Middle School – Built 1968  
Robert Gisler Elementary School - Built 1969  
Kazuo Masuda Middle School - Built 1975  
William Newland Elementary School - Built 1964  
Isojiro Oka Elementary School - Built 1971  
Urbain H. Plavan Elementary School - Built 1972  
Samuel E. Talbert Middle School - Built 1972  
Hisamatsu Tamura Elementary School - Built 1964

### **A. Top Tier Projects: Classroom Repairs and Upgrades Supporting 21<sup>st</sup>-Century Education**

The Board of Trustees has determined that projects in this category are the highest priority for the use of bond funds and are planned for all school sites as needed:

- Repair or replace aging, deteriorating and inefficient classroom, library, lab and school site infrastructure including but not limited to roofs, site utilities, technology infrastructure, interior walls, doors, flooring, paint, and access.
- Install air conditioning to improve air quality and keep classrooms, libraries, labs and other school facilities from reaching temperatures of 85 to 100 degrees and upgrade windows and insulation to improve emergency efficiency.

- Provide spaces, through new construction, replacement of aging portable classrooms, or reconfiguration of existing space, to support high quality instruction in science, technology, engineering, arts, and mathematics (STEAM).

**B. Second Tier Projects: Student Safety and School Security Improvements**

Projects in this category are planned for all school sites as needed, pending available funding following the funding of Top Tier Projects.

- Improve student safety through upgrades to security systems, lighting, fire alarms, cameras, communication systems, parking areas, and drop-off and pick-up zones.
- Repair or replace student’s playground equipment, outdoor hardscape and play fields to ensure they meet current health and safety standards and provide outdoor learning areas.

**C. Third Tier Projects: Creating Dedicated Space for Science, Art and Music Programs**

The Board of Trustees has determined that projects in this category are a lower priority for the use of bond funds and will be completed at school sites pending receipt of potential state matching dollars or remaining available bond funds following the funding of Top Tier and Second Tier Projects.

- Create multi-use rooms at the elementary level to support science, art, music instruction
- Create multi-purpose rooms to allow for large group events, support music & performing arts, indoor physical fitness, indoor student dining

Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as feasible, and the listing of projects does not imply a particular prioritization among such improvements. 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, final size and location, timing, prioritization or other facets of project implementation will be made solely by the Board of Trustees. Where terms such as “renovate,” “upgrade,” and “improve” are used in the Bond Project List, the Board of Trustees shall determine the best method for accomplishing the project’s objective. For any listed project involving renovation or modernization 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 District determines that replacement and new construction is more practical than renovation, considering the building’s age, condition, expected remaining life, comparative cost, and other relevant factors. In addition, where feasible, projects may be completed in partnership with other agencies on a joint use basis using bond proceeds.

Each project is assumed to include its share of costs of bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff and consultants, staff development and training expenses associated with learning construction techniques and approaches, new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, permit and inspection fees, and temporary housing and

relocation costs for dislocated programs or activities caused or necessitated by construction projects.

The final cost of each project will be determined as plans are finalized 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. Necessary site preparation/grading/restoration may occur in connection with new construction, modernization, renovation or remodeling, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, leases, licenses, or rights of way to the property.

### **ADDITIONAL 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 on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

**Single Purpose.** All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

**Other Terms of the Bonds.** The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Trustees pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the weighted average maturity of the bonds sold will not exceed one hundred twenty percent (120%) of the average life of the projects being financed or as otherwise provided by federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.

## EXHIBIT C

### TAX RATE STATEMENT

An election will be held within the boundaries of Fountain Valley School District ("District") on November 8, 2016 to authorize the sale of up to \$63,000,000 in bonds to finance facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in multiple series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property located within the School District. The following information is provided in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the 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 \$.02995 cents per \$100 (\$29.95 per \$100,000) of assessed valuation in fiscal year 2017-18.
2. The best estimate of the 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 \$.02999 cents per \$100 (\$29.99 per \$100,000) of assessed valuation in fiscal year 2020-21.
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 \$.03000 cents per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2041-42.
4. The best estimate of total debt service, including principal and interest, which would be required to be repaid if all the bonds are issued and sold, is approximately \$108,910,103.

Voters should note that the estimated tax rate is based on the ASSESSED VALUE of taxable property in the school district on the official tax rolls of the County of Orange, not on the property's market value, which could be more or less than the assessed value. Taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above, and certain taxpayers may be eligible for a postponement of their property taxes. 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, debt service 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, 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 School District as determined by the County Assessor of Orange County in the annual assessment and the equalization process.

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Mark Johnson, Ed.D, Superintendent  
August 11, 2016