



1645 Valley Drive  
Hermosa Beach  
California 90254  
(310) 937-5877  
Fax: (310) 376-4974  
www.hbcasd.org

# HERMOSA BEACH

## City School District

February 22, 2016

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

45 March 29, 2016

  
LORI GLASGOW  
EXECUTIVE OFFICER

**VIA COURIER**

Dean Logan, Registrar-Recorder/County  
Clerk  
Los Angeles County Registrar of Voters  
12400 Imperial Highway  
P.O. Box 1024  
Norwalk, California 90651-1024

Sachi Hamai, Chief Executive Officer  
Los Angeles County Board of Supervisors  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 383  
Los Angeles, California 90012

Re: Hermosa Beach City School District June 7, 2016 Bond Measure  
Election

Enclosed please find the Hermosa Beach City School District Board of Education RESOLUTION NO. 04:15/16 "RESOLUTION OF THE BOARD OF EDUCATION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER" adopted on November 9, 2015 calling for a June 7, 2016 local bond election.

Also enclosed is the Tax Rate Statement to be used in connection with the election which has been prepared in accordance with Elections Code Sections 9400 to 9404. We understand that the County Counsel's office will prepare the impartial analysis to be included in the ballot/voter pamphlet.

We expect Exhibit B to the Resolution to be printed in its entirety in each sample ballot/voter pamphlet.

By this letter we are formally requesting to review a proof of the ballot statement language, the full text of the ballot proposition, impartial analysis and ballot arguments that would appear in the voter pamphlet prior to publishing. Please direct this proof to the undersigned as soon as it is available.

We believe that Education Code Section 15122.5 is not applicable and we request that the County not include the following "State Matching Funds" language in the ballot or voter pamphlet:

"Approval of Measure \_\_\_\_\_ does not guarantee that the proposed project or projects in the Hermosa Beach City School District that are the subject of bonds under Measure \_\_\_\_\_ will be funded beyond the local revenues generated by Measure \_\_\_\_\_. The district's proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure."

*Members of the  
Board of Education*

Patricia S. Ackerman

Carleen R. Beste

Margaret R. Bove-LaMonica

Mary K. Campbell

Monique Ehsan

*Superintendent of Schools*  
Patricia W. Escalante

Dean Logan, Registrar-Recorder/County Clerk  
Sachi Hamai, Chief Executive Officer  
February 22, 2016  
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If possible, the District would like to request the measure letter designation of one of the following: "S" "A," "H," "K," or "R." If not possible, the District requests that we not be assigned the letters "N," "B" or "T."

We would be more than happy to provide you with the resolution electronically in order to facilitate your work, or to assist with this process in any other manner.

We have asked our courier to obtain a signature on the next page from the Registrar's office acknowledging receipt of the Resolution and would appreciate your providing the signature.

This letter also authorizes you to contact Robert J. Whalen of Stradling Yocca Carlson & Rauth, our bond counsel, at (949) 725-4166 if you have any questions. Thank you for your assistance.

Sincerely,



Patricia. Escalante  
Superintendent of Schools

Enclosure

cc: Robert J. Whalen

SEARCHED - 5 MAR 11 03

LIPED

RESOLUTION NO. 04:15/16

RESOLUTION OF THE BOARD OF EDUCATION OF THE  
HERMOSA BEACH CITY SCHOOL DISTRICT ORDERING  
AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF  
THE ELECTION ORDER

WHEREAS, the Board of Education (the "Board") has determined that education facilities within the Hermosa Beach City School District (the "District") need to be renovated, modernized, repaired, improved, constructed and equipped to enable the District to improve the health and safety and the quality of education for students in the District; and

WHEREAS, in order to relieve overcrowding within the District's two existing schools the Board has determined that it is in the best interest of students to reopen the North School and construct the new facilities needed for that school; and

WHEREAS, the Board has further determined that it is in the best interest of students to modernize, construct and improve the facilities at the View School and the Valley School, including facilities for District administration; and

WHEREAS, notwithstanding concerted and ongoing efforts by the District to obtain sufficient facility money from the State of California (the "State"), the State has been unable to provide the District with enough money for the District to adequately construct and repair schools to provide an optimal learning environment for all students; and

WHEREAS, in the judgment of the Board, additional facility funding is needed to relieve overcrowding and improve the quality of facilities within the District by means of a general obligation bond; and

WHEREAS, Proposition 46, approved by the voters of the State on June 3, 1986 ("Proposition 46"), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those *ad valorem* taxes used to pay for debt service on any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000 the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which, as of its effective date, reduced the voter threshold for *ad valorem* tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the "Act") became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight which are required by Proposition 39 and the Act; and

WHEREAS, the Board desires to submit a proposition to the District's voters at an election to authorize the issuance of general obligation bonds to pay for certain necessary improvements to Valley School, View School and North School; and

WHEREAS, the Board hereby determines, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for administrative salaries or other operating expenses of the District shall be strictly enforced by the District's Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, 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 the Proposition 39 limit per year of \$30 per \$100,000 of assessed valuation of taxable property; and

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the "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, the Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, June 7, 2016, and to request that the Los Angeles County Registrar of Voters perform certain election services for the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Hermosa Beach City School District:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Los Angeles County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$59,000,000 (the "Bonds") shall be issued and sold for the purpose of raising money for the projects described in Exhibits A and B hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be June 7, 2016.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit "A" is subject to the following requirements and determinations:

(a) that the proceeds of the sale of the Bonds shall only be used for the purposes specified in Proposition 39 and set forth in the ballot proposition and not for any other purpose, including teacher and administrator salaries and other school operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit “B,” evaluated the safety, class size reduction and information technology needs of the District;

(c) that the Board will cause an annual, independent performance audit to be conducted to ensure that the Bond moneys are expended only for the projects identified in Exhibit “B” hereto;

(d) that the Board will cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board will appoint a Citizens’ Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Elections Code Section 15274; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limit of \$30 per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 6. That the Los Angeles County Registrar of Voters and the Los Angeles County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 7, 2016 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Los Angeles County Registrar of Voters no later than March 11, 2016.

Section 8. That the maturity of any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to Section 53506 of the Government Code shall have a maturity not exceeding the maximum permitted thereunder. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

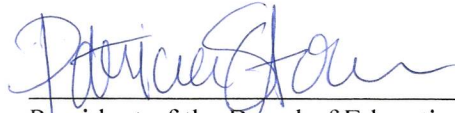
Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Los Angeles County Registrar of Voters by the established deadlines.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Los Angeles County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Los Angeles County, such services to include the printing of the Full Text Ballot Proposition set forth in Exhibit “B” in the voter pamphlet,

the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

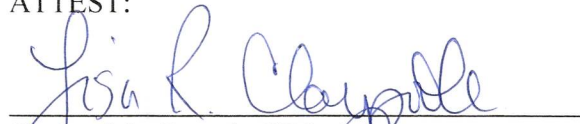
Section 11. This Resolution shall take effect from and after its date of adoption.

ADOPTED, SIGNED AND APPROVED this 9<sup>th</sup> day of November, 2015.



\_\_\_\_\_  
President of the Board of Education

ATTEST:



\_\_\_\_\_  
Clerk of the Board of Education  
Hermosa Beach City School District

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF LOS ANGELES        )

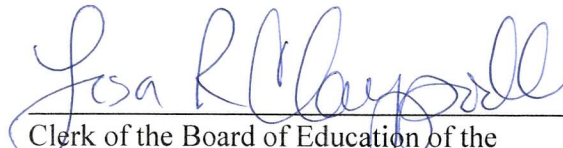
I, Lisa R. Claypoole, Clerk of the Board of Education of the Hermosa Beach City School District, hereby certify that the above and foregoing Resolution was duly and regularly adopted by said Board at a special meeting thereof held on the 9<sup>th</sup> day of November, 2015, and that it was so adopted by the following vote of said Board:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9<sup>th</sup> day of November, 2015.

  
\_\_\_\_\_  
Clerk of the Board of Education of the  
Hermosa Beach City School District

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF LOS ANGELES        )

I, Lisa R. Claypoole, Clerk of the Board of Education of the Hermosa Beach City School District, do hereby certify that the above and foregoing Resolution is a full, true and correct copy of Resolution No. 04:15/16 of said Board, and that the same has not been amended or repealed as of the date hereof.

DATED: November 9, 2015.

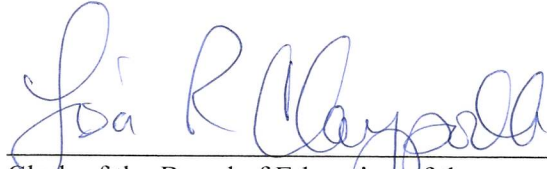
  
\_\_\_\_\_  
Clerk of the Board of Education of the  
Hermosa Beach City School District



EXHIBIT A

“To reduce student overcrowding and make safety, security, and health improvements; construct, renovate, modernize and equip classrooms and facilities at North, Valley and View Schools; replace or repair roofs; provide technology improvements for students; and upgrade or replace outdated electrical, plumbing, heating and air conditioning systems, shall Hermosa Beach City School District issue \$59,000,000 of bonds at legal interest rates, and have an independent citizens’ oversight committee with no money for administrative salaries or taken by the state?”

Bonds - Yes

Bonds – No

## EXHIBIT B

### FULL TEXT BALLOT PROPOSITION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 3, 2015

The following is the full proposition presented to the voters by the Hermosa Beach City School District.

“To reduce student overcrowding and make safety, security, and health improvements; construct, renovate, modernize and equip classrooms and facilities at North, Valley and View Schools; replace or repair roofs; provide technology improvements for students; and upgrade or replace outdated electrical, plumbing, heating and air conditioning systems, shall Hermosa Beach City School District issue \$59,000,000 of bonds at legal interest rates, and have an independent citizens’ oversight committee with no money for administrative salaries or taken by the state?”

#### **PROJECT LIST FOR THE BOND MEASURE**

The following are the types of projects that may be financed with proceeds of the bonds at the Valley School, the View School and the North School sites:

**Renovate and Modernize Existing Classrooms and Buildings**, including roofs, walls, windows, doors and hardware, floors, ceilings, access improvements for disabled students and individuals and updated technology, furnishings and equipment to meet curriculum needs.

**Renovate, Modernize and Construct Safety and Security Improvements**, including fire safety systems, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, and fencing.

**Renovate, Modernize and Construct Basic Infrastructure and Utilities**, including roofs, site and building plumbing, sewer, gas, electrical, water, storm drainage, heating, ventilation and air conditioning systems, energy efficiency and water conservation improvements.

**Construct, Renovate and Modernize Specialty Classrooms** for technology, computers, science, library, art and performing arts, including the acquisition and installation of furnishings and equipment for such uses.

**Construct New Classrooms**, including removing portable classrooms and constructing, furnishing and equipping permanent classrooms.

**Construct or Modernize Multipurpose, Administration and Support Facilities**, including space for school and District administration, maintenance and operations and performing arts uses, student and faculty restrooms and access improvements for disabled students and individuals.

**Renovate, Modernize and Construct Landscape and Hardscape Improvements**, including playgrounds and equipment, turf, plantings, irrigation systems, fencing and parking and transportation improvements, including onsite parking, which in the case of the North School may include underground parking.

**Renovate, Modernize and Construct Food Service Improvements,** including kitchen facilities and equipment and shelters for students to eat lunch.

\* \* \*

In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

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. Projects may also include the costs of demolition and reconstruction of existing facilities currently scheduled for modernization, if the Board of Education determines that such an approach would be a more cost effective solution.

The District is eligible to receive State matching funds and intends to aggressively pursue State funding. In the absence of such funding, improvements at each school may be affected and the District may not be able to perform 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 projects described above may be delayed or may not be undertaken.

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 bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

Fiscal Accountability: In accordance with Education Code § 15272, the Board of Education will establish a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above and for no other purpose. The expenditure of bond money on these projects is subject to stringent financial accountability requirements. By law, performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent citizens' oversight committee to ensure that funds are spent as promised and specified. The citizens' oversight committee shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not serve on the citizens' oversight committee.

No Administrator Salaries: Proceeds from the sale of the 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, and not for any other purpose. No funds will be used toward teacher or administrator salaries or other operating expenses.

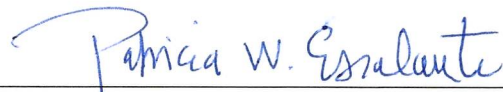
**Hermosa Beach City School District  
Tax Rate Statement for  
Bond Measure  
June 7, 2016 Election**

An election will be held in the Hermosa Beach City School District (the "District") on June 7, 2016, to authorize the sale of up to \$59 million 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 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2016-17.
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 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2021-22.
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 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2016-17.
4. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$127 million.

These projections of assessed valuations and tax rates are based on the experience and historical data within the 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 District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: February 25, 2016



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Patricia W. Escalante  
Superintendent  
Hermosa Beach City School District

Dean Logan, Registrar-Recorder/County Clerk  
Sachi Hamai, Chief Executive Officer  
February \_\_, 2016  
Page 4

\_\_\_\_\_, 2016

Acknowledgement:

I, \_\_\_\_\_, of the Los Angeles County Board of Supervisors acknowledge receipt of HERMOSA BEACH CITY SCHOOL DISTRICT BOARD OF EDUCATION RESOLUTION NO. 04:15/16 "RESOLUTION OF THE BOARD OF EDUCATION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER" adopted on November 9, 2015 calling for a June 7, 2016 election.

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*Signature*  
*Time*

*Date*