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By Anjanette Allen at 10:55 am, Jul 31, 2024

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

78 October 8, 2024

RESOLUTION NO. 12-23/24

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


EDWARD YEN
EXECUTIVE OFFICER

WHEREAS, the Board of Education (the “Board”) of the Hermosa Beach City School District (the “District”) is devoted to ensuring that all District students have access to high-quality educational facilities that other students in Los Angeles County already have; and

WHEREAS, the Board has determined that schools within the District need to be upgraded, repaired, expanded, improved and better equipped in a fiscally prudent manner to ensure the District is able to provide all students with access to rigorous and engaging high-quality instruction; and

WHEREAS, the Board believes that since academic standards are rising for what it takes to compete in the 21st Century, it is in the best interest of the District to address facility improvements now to ensure local students have access to education, facilities and classroom technology necessary to succeed; and

WHEREAS, the District’s facilities are aging and in constant use, and the Board has identified a number of upgrades and enhancements needed at the District’s existing schools, facilities and locations in order to upgrade security and safety infrastructure, facilitate energy savings and environmental sustainability, and improve technology access in the District’s school facilities, and to construct, reconstruct, rehabilitate, replace, acquire, equip and furnish facilities and classrooms; and

WHEREAS, the District has determined that a number of the schools within the District need to be upgraded, repaired, improved and better furnished and equipped to enable the District to maintain and enhance the quality of academic instruction at these schools and that new schools may need to be constructed to accommodate student growth in the District; and

WHEREAS, all residents benefit from living in a community with good schools and whether or not residents have school-age children, protecting the quality of our schools, the quality of life in our community, and the value of our homes, is a good long-term investment; and

WHEREAS, the Board believes that, because the State of California (the “State”) does not provide the District with enough money for facilities, local schools cannot maintain quality education programs without a local source of funding; and

WHEREAS, a school bond measure could qualify our schools for millions in State matching funds that would otherwise go to other school districts; and

WHEREAS, this measure will help provide funds for local elementary schools that are controlled locally and that cannot be taken away by the State, to provide schools across the District with the resources necessary to address the specific needs of each of the District’s students; and

WHEREAS, the District conducted a thorough facilities assessment and created and identified the most pressing needs in each of the District’s schools in order to provide safe and modern classroom environments for all students; and

WHEREAS, the Board has received information regarding the possibility of a local bond measure and its bonding capacity; and

WHEREAS, such measure will include mandatory taxpayer protections, including an independent citizens' oversight committee and mandatory audits to ensure funds are spent as promised; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which reduced the voter threshold for *ad valorem* property tax levies used to pay for debt service on 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 that are contained in Proposition 39 and the Act; and

WHEREAS, the Board desires to authorize the submission of a proposition to the District's voters at an election to authorize the issuance of bonds to pay for certain necessary improvements and enhancements to District educational facilities which will improve the health, safety and quality of education for students in the District; and

WHEREAS, the Board hereby directs that, 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 inappropriate administrative salaries or other operating expenses of the District shall be monitored by the District's Independent Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Sections 15102 and 15268, 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 increase the current tax rates for school facilities and will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

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

WHEREAS, the Board desires to authorize the filing of a tax rate statement and a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the 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, November 5, 2024, and to request the Los Angeles County Registrar of Voters to perform certain election services for the District.

NOW THEREFORE, THE BOARD OF EDUCATION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

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 of \$28,700,000 (the “Bonds”) shall be issued and sold for the purpose of raising money for the types of projects described in Exhibits “A” and “B” hereto. Both exhibits are directed to be printed in the voter pamphlet. The District’s Superintendent, or designee, is hereby authorized and directed to make any changes to the text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of election officials, and requirements of law.

Section 2. That the date of the election shall be November 5, 2024.

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 “B,” incorporated by reference herein, and containing the question of whether the District shall issue the Bonds to pay for improvements within the District to the extent permitted by such proposition. In compliance with Proposition 39 policies of the Board and the Act, the ballot propositions in Exhibits “A” and “B” are subject to the following requirements and determinations:

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

(b) that the Board, in establishing the projects set forth in Exhibit “B,” evaluated the health, safety, class size reduction, classroom, educational and information technology needs of the District as well as the importance of the projects to improve student learning in core subjects like math, science, engineering, the arts, music and technology;

(c) that the Board shall cause an annual, independent performance audit to be conducted to ensure that the Bond monies get spent only for the projects identified in Exhibit “B” hereto;

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

(e) that the Board shall 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 Education Code Section 15274; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limits 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 Education Code Section 5322. In connection with ordering the election pursuant to the provisions mentioned above, the District has obtained reasonable and informal projections or assessed property valuations that take into consideration projections of assessed property valuations made by the county assessor that are available to the District.

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 November 5, 2024 within the District. As provided in Elections Code Section 10403, the District acknowledges that the consolidation election will be conducted in the manner described in Elections Code Section 10418.

Section 7. That the Clerk of the Board is hereby directed to deliver a certified copy of this Resolution to the Los Angeles County Registrar of Voters no later than August 9, 2024.

Section 8. That the Bonds may be issued pursuant to Education Code Section 15264 *et seq.* or Government Code Section 53506. 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.

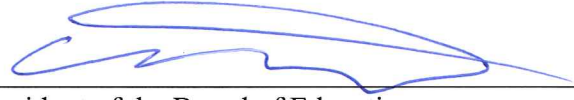
Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by any body or official authorized by law to canvass such returns, 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 Education Code Section 5303 and Elections Code Section 10002, the Board of Supervisors of Los Angeles County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election, for which services the District agrees to reimburse Los Angeles County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.

Section 11. That any and all members of this Board and the Superintendent are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including an argument in favor of the proposition and any rebuttal argument. The Superintendent, President of the Board, or their designees, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary or required by the Los Angeles County Registrar of Voters, including, but not limited to, reducing the word count or otherwise modifying the language in the ballot proposition in Exhibits "A," and "B" in order to meet the requirements to place the bond proposition on the ballot.

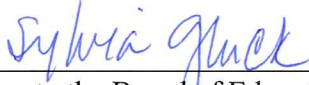
Section 12. That this Resolution shall take effect on and after its adoption by a two-thirds vote of the members of this Board.

ADOPTED, SIGNED AND APPROVED this 20th day of June, 2024.



President of the Board of Education

ATTEST:



Secretary to the Board of Education
Hermosa Beach City School District

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

I, Sylvia Gluck, Secretary to 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 regular meeting thereof held on the 20th day of June, 2024, and that it was so adopted by the following vote of said Board:

AYES: 4

NOES:

ABSENT: 1

Sylvia Gluck

Secretary to the Board of Education of the
Hermosa Beach City School District

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

I, Sylvia Gluck, Secretary to 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. 12-23/24 of said Board, and that the same has not been amended or repealed as of the date hereof.

DATED: June 20, 2024.



Secretary to the Board of Education of the
Hermosa Beach City School District

EXHIBIT A

“To improve the quality of education; construct new science labs; make safety, security, and ADA improvements; upgrade inadequate electrical systems; and renovate/modernize outdated classrooms and restrooms; shall Hermosa Beach City School District’s measure be adopted, authorizing \$28,700,000 in bonds, at legal rates, levying on average \$13.15 per \$100,000 assessed valuation (projecting no increase in current tax rates, raising \$2,608,000 annually) while bonds are outstanding, with annual audits, citizens’ oversight, NO money for salaries and all money staying local?”

Bonds – Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 5, 2024

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

“To improve the quality of education; construct new science labs; make safety, security, and ADA improvements; upgrade inadequate electrical systems; and renovate/modernize outdated classrooms and restrooms; shall Hermosa Beach City School District’s measure be adopted, authorizing \$28,700,000 in bonds, at legal rates, levying on average \$13.15 per \$100,000 assessed valuation (projecting no increase in current tax rates, raising \$2,608,000 annually) while bonds are outstanding, with annual audits, citizens’ oversight, NO money for salaries and all money staying local?”

PROJECT LIST

- Construct new middle school science labs Hermosa Valley School (Grades 5-8)
- Upgrade inadequate electrical systems, including network speed and security
- Modernize and renovate outdated classrooms and restrooms
- Make health and handicapped accessibility improvements
- Improve student access to computers and modern technology
- Make safety improvements at all three school campuses including improving traffic flow and student drop off/pick up at Valley School
- Make energy-efficient improvements, including replacing outdated energy-inefficient heating, ventilation, and air conditioning systems and installing solar projects
- Upgrade playfields, playgrounds, and athletic facilities including a track, volleyball courts and fields
- Make security improvements including cameras, alarms, and fencing
- Construct shade structures and student-centered lunch and recreation areas

Bond proceeds shall only be expended for the types of projects and purposes identified herein. 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. Based upon a projection of assessed property valuation, if this measure is approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not increase the current tax rates for District school facilities.

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.

FISCAL ACCOUNTABILITY: THIS MEASURE REQUIRES A CLEAR SYSTEM OF ACCOUNTABILITY, INCLUDING A PROJECT LIST DETAILING HOW THE

MONEY WILL BE USED, AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE, AND INDEPENDENT AUDITS TO ENSURE MONEY IS SPENT PROPERLY.

IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF EDUCATION WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS 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 MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO 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 ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.

RECEIVED

By Anjanette Allen at 10:56 am, Jul 31, 2024

TAX RATE STATEMENT

**HERMOSA BEACH CITY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
MEASURE __**

An election will be held in Hermosa Beach City School District (the “District”) on November 5, 2024 for the purpose of submitting to the electors of the District the question of incurring bonded indebtedness of the District in the principal amount of \$28,700,000. If such bonds are authorized and sold, the principal thereof and interest thereon will be payable from the proceeds of taxes levied on the taxable property in the District. The following information regarding tax rates is given in compliance with Section 9401 of the California Elections Code. This information is based upon the best estimates and projections presently available from official sources, upon experience within the District and other demonstrable factors.

Based upon the foregoing and projections of the assessed valuations of taxable property in the District, and assuming the entire debt service on the bonds will be paid through property taxation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the filing of this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors is \$13.15 per \$100,000 of assessed valuation of all property to be taxed. It is estimated that the final fiscal year in which the tax is anticipated to be collected is fiscal year 2048-49.

2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of the filing of this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$24.14 per \$100,000 of assessed valuation of all property to be taxed for fiscal years 2046-47 through and including 2048-49.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$64,400,000.

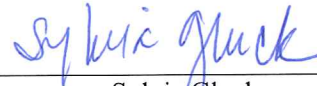
Attention of voters is directed to the fact that the foregoing information is based upon projections and estimates only. The actual timing of sales of the bonds and the amount to be sold at any time will be governed by the needs of the District and other factors. The actual interest rates at which the bonds will be sold, which will not exceed the maximum permitted by law, will depend upon the bond market at the time of sale. The actual assessed valuations in future years will depend upon the value of property within the District as determined in the assessment and the equalization process. Assessed valuation is not the same as market price of real property. Therefore, the actual tax rates and the years in which those tax rates will be applicable may vary from those presently estimated and stated above.

In addition, in connection with this bond measure, the District has examined the debt service requirements due on its previously issued and outstanding voter-approved general obligation bonds and refunding bonds, the District’s fiscal year 2023-24 tax rate and assessed value and projected future assessed value taking into account reasonable assessed value growth estimates. Due to the scheduled amortization of outstanding bonds that will occur prior to the time that the first levy is expected to occur with respect to bonds issued pursuant to this measure, the District expects that when the initial levy occurs pursuant to this bond measure, that it will not exceed the fiscal year 2023-24 tax rate levied for bonds outstanding in said fiscal year. Notwithstanding this expectation, general obligation bonds authorized by this measure are secured by an *ad valorem* tax unlimited as to rate or amount, and although

the expectation is that tax rates will not increase, voters should be informed that this expectation does not result in a cap or limit on the tax levies required to amortize bonds authorized by this measure through final maturity thereof.

Voters should note that estimated tax rates are based on the *ASSESSED VALUE* of taxable property 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.

Dated: July 22, 2024



Sylvia Gluck

Interim Superintendent
Hermosa Beach City School District