

**CAYUCOS ELEMENTARY SCHOOL DISTRICT
FULL TEXT OF MEASURE Z-06**

This proposition may be known and referred to as the Cayucos Elementary School District General Obligation Bond of 2006, or Measure Z-06

FINDINGS

The Cayucos Elementary School District (the "District"), which serves the community of Cayucos and a portion of unincorporated San Luis Obispo County, is a recognized leader in providing top quality education to San Luis Obispo County students.

The achievements have been accrued by the District as a result of the long history of visionary leadership from the Board of Trustees of the District (the "Board"), as well as from staff members, parents, and members of the District communities. During its long history, the District has benefited from a community, which supports its educational institutions by establishing high standards for academic achievement while at the same time providing the means required to meet and even to surpass those expectations.

In order to provide our local students with the same classrooms and school facilities as other California school districts, major repairs, upgrades, and classroom construction are necessary to ensure these buildings will remain functional for future generations.

The Board has prepared a facilities plan and identified significant repairs, upgrades, and classroom and facility construction needs that are more than the District is able to fund from currently available sources or annual revenues

The District has sought, and continues to seek, all available outside sources of funding to improve our school buildings, including local, state, and federal grants and state bond funds. Historically, the state requires that local school districts provide local funds as a condition of receipt of state matching funds.

It is necessary to seek voter approval of a bond measure in order to provide the local funding for identified school facility repairs, modernization projects, and growth needs to address student enrollment.

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District shall be authorized to issue and sell bonds of up to \$ 2,900,000 in aggregated principal at interest rates below the legal limit, to provide finance for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A-1, subject to all the accountability requirements specified below.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A-1 shall be considered a part of the ballot proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Approval of this Bond Measure (the "Measure") does not guarantee that the proposed project or projects in the District that are the subject of bonds under the Measure will be funded beyond the local revenues generated by the Measure. If state matching funds become available, they will be used for and applied to the Bond Project List as per Exhibit A-1.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent 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 has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District. The Board hereby certifies that it has evaluated safety, class size reduction enrollment growth, and information technology needs in developing the Bond Project List contained in Exhibit A-1.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure bond proceeds are expended only on the school facilities projects listed in Exhibit A-1. The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A-1.

Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in Exhibit A-1.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board annually stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

The proceeds of the bonds will be deposited into a Building Fund to be held by the San Luis Obispo County Treasurer, as required by the California Education Code.

**EXHIBIT A-1
BOND PROJECT LIST**

The specific school facilities projects to be funded are as follows:

The district will construct a joint-use, multi-purpose gymnasium and community center for physical and health education, student and community athletics, performing arts (music, drama, dance, art) as well as other school and community functions. The facilities shall include a new cafeteria and meeting room, replacing the current cafeteria, which is old and inefficient. The facility will also serve as a community center and be available to community groups and civic associations for sporting events, performing arts, meetings and other events.

The multi-use gymnasium shall also be equipped to adequately provide the above opportunities with kitchen appliances, sound and lighting, other needs as designed. Particular attention shall be given to renovating or replacing severely deteriorated and deficient sewer, water, drainage, electrical, telecommunication, and fire/safety systems.

IMPARTIAL ANALYSIS OF MEASURE Z-06

This measure will determine whether the Cayucos Elementary School District shall issue \$2.9 million in bonds, at an interest rate and for a term that shall not exceed the maximum permitted by law, for the purpose of improving school facilities within the District.

On November 7, 2000, the voters of California passed "Proposition 39," amending Article XIII A, section 1(b)(3) of the California Constitution. That amendment authorizes the District to incur bonded indebtedness for the purpose of financing the construction, reconstruction, rehabilitation, or replacement of school facilities, in accordance with certain accountability requirements, upon approval of 55% of the voters voting on the bond measure.

If approved, the measure will allow the district to issue up to \$2.9 million in bonds, the proceeds of which shall be used for acquiring and improving real property, and furnishing and equipping school facilities within the District. The bonds and interest thereon would be financed by ad valorem taxes levied annually on taxable real property within the District. These taxes would be in addition to the property taxes currently levied on taxpayers within the District. The District's Tax Rate Statement, which accompanies this analysis, reflects an estimate of the maximum property tax levies required to service the bonds.

The measure provides that the District Board will establish an account for deposit of the bond proceeds and shall cause to be filed an annual report in accordance with Government Code section 53411 reporting on the collection and expenditure of funds in the account. The measure also includes the following accountability provisions:

1. That the proceeds from the bond sale shall be used only for the purposes listed in the measure and not for any other purpose, including teacher and administrator salaries and other operating expenses.

2. A list of the specific facilities projects to be funded and certification that the District Board has evaluated safety, class size reduction and information technology needs in developing that list.

3. That the District Board will conduct an annual, performance audit to ensure that the funds have been spent only on the specific facilities projects listed in the measure.

4. That the District Board will conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of such proceeds from the sale of the bonds have been spent for the facilities projects listed in the measure.

5. That the District Board shall establish a citizens oversight committee to monitor expenditures and to ensure that bond proceeds are used only to fund the specific facilities projects listed in the measure.

A "Yes" vote on this measure is a vote in support of the issuance of \$2.9 million in bonds to be used only for the purpose of improving school facilities within the District.

A "No" vote on this measure is a vote against the issuance of \$2.9 million in bonds to be used only for the purpose of improving school facilities within the District.

s/ R. WYATT CASH, Assistant County Counsel

Approval of Measure Z-06 does not guarantee that the proposed project or projects in the Cayucos Elementary School District that are the subject of bonds under Measure Z-06 will be funded beyond the local revenues generated by Measure Z-06. The school 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.

TAX RATE STATEMENT FOR MEASURE Z-06

An election will be held in the Cayucos Elementary School District (the "District") on November 7, 2006 to authorize the sale of up to \$2,900,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in one series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax 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 1.79 cents per \$100 (\$17.90 per \$100,000) of assessed valuation in fiscal year 2007-08.
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 1.79 cents per \$100 (\$17.90 per \$100,000) of assessed valuation in fiscal year 2007-08.
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 1.79 cents per \$100 (\$17.90 per \$100,000) of assessed valuation in the fiscal year 2007-08.
4. The average tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 1.79 cents per \$100 (\$17.90 per \$100,000) of assessed valuation.

Voters should note that the 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.

These estimates are based on projections 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 increases in assessed valuations. 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.

s/ George Erdelyi
Superintendent, Cayucos Elementary School District

ARGUMENT IN FAVOR OF MEASURE Z-06

Cayucos Elementary School is a unique small district, working closely with the community to offer our children outstanding educational opportunities. In November of 2004 the citizens of Cayucos overwhelmingly supported the District's efforts to provide quality facilities by passing a \$4.9 million bond, insuring our students' future, enhancing our property values and making us an even greater community.

During these two years of required planning, review and permitting by numerous public agencies, construction costs have dramatically escalated, jeopardizing our ability to complete the joint-use, multi-purpose building (gymnasium / theatre / community center). This is the single most costly part of the project at \$3.5 million and eligible for only \$600,000 in State funds. To meet this \$2.9 million funding shortfall and fully complete the project, **we must pass Bond Measure Z.**

We have finalized a comprehensive building project, using the 2004 bond and State matching funds to deliver the promised classrooms and public library to our students and community, which is not dependent on passage of Measure Z.

A Yes vote on Bond Measure Z will:

1. Complete construction of the joint-use, multi-purpose facility for school and community use.
2. Replace severely deteriorating sewer, water, electrical and telecommunication systems, some dating back to the 1930s.
3. Improve playgrounds and fields for student safety and expanded community use.

Measure Z funds can **only** be used for construction of the multi-purpose building. By law, these funds cannot be spent on administrator or teacher salaries. The Independent Citizens Oversight Committee continues to monitor all bond fund spending.

The cost is minimal; an annual average tax rate of \$17.90 per \$100,000 of assessed valuation (not market value).

The community and its children deserve this investment in the future! Please join us in finishing this great building project and vote **Yes on Measure Z.**

s/ Elaine M. Thompson
s/ Laura Rarig-Leary
s/ Lynn Schoennauer
s/ Carolyn Maffioli
s/ Patricia Silveira

NO ARGUMENT AGAINST MEASURE Z-06 WAS SUBMITTED