

**Citizens' Oversight Committee
of the Cajon Valley Union School District**

**Wednesday, June 25, 2014
11:00 a.m.**

**Cajon Valley Union School District
750 East Main St., Professional Development Rm 1
El Cajon, CA 92020**

MEETING AGENDA

- 1. Call to Order**
- 2. Welcome and Roll Call**
- 3. Approval of Minutes**
- 4. Technology Bonds**
- 5. Status of Projects**
- 6. Budget & Expenditures**
- 7. Adjournment**

Upcoming meeting: Wednesday, September 24, 2014
Cajon Valley Union School District
Professional Development Room 1
3:00 PM (Project Tour)

**CAJON VALLEY UNION SCHOOL DISTRICT
BOND PROGRAM BUDGET
5/15/2014, FINAL**

Estimated Revenue

Revenue Source	Current Budget	Budget Adjustments	Revised Budget	Budget Adjustment Rationale
Prop D Bond	68,098,099	-5,107	68,092,992	
Interest Earned	1,454,267	5,107	1,459,374	Adjustment for earned interest.
Prop C Bond	88,400,000		88,400,000	
QSCB Proceeds	4,551,940		4,551,940	
State Funding	2,992,789		2,992,789	
E-Rate	10,500,000	-10,050,000	450,000	Erate was not funded for 2013, and future years are uncertain.
Developer Fees	777,265		777,265	
TOTAL	176,774,360	(10,050,000)	166,724,360	

Estimated Expenditures

Project#	Project Name	School Name	Current Budget	Budget Adjustments	Revised Budget	Budget Adjustment Rationale
D-7501	Water Line Replacement	Meridian	54,892		54,892	
D-7502	Security Camera Upgrades	Various	1,050,000		1,050,000	
D-7503	Clock System Upgrades	Various	76,507		76,507	
D-7504	Playground Upgrades	Various	290,102		290,102	
D-7505	New Gymnasium/MPB	Greenfield	13,059,765		13,059,765	
D-7506	Electrical Upgrades	Various	930,567		930,567	
D-7507	New 2-Story Classroom/MPB	Cajon Valley	14,630,361		14,630,361	
D-7508	HVAC	Various	6,895,000		6,895,000	
D-7509	MPR Remodel	Flying Hills	587,462		587,462	
D-7510	Modernization	Vista Grande	3,133,000		3,133,000	
D-7511	Modernization	Rancho San Diego	3,133,000		3,133,000	
D-7512	Technology Infrastructure	Various	26,864,504		26,864,504	
D-7513	Reconstruction	Lexington	35,000,000		35,000,000	
D-7515	New Gymnasium/ Multipurpose Bldg	Emerald	12,500,000	1,000,000	13,500,000	Budget increase due to design-build team estimates.
D-7516	New Gymnasium/ Multipurpose Bldg	Montgomery	11,460,000		11,460,000	
D-7518	Erosion Control	Crest	65,000		65,000	
D-7519	Fencing	Various	1,260,000		1,260,000	
D-7522	Parking Lot Upgrades	Various	250,000		250,000	
D-7524	Minor Renovations	Various	350,000		350,000	
D-7525	Security Lighting	Various	400,400		400,400	
D-7526	Sidewalk Upgrades	Various	500,000		500,000	
D-7527	Window Replacement	Blossom Valley	200,000		200,000	
D-7528	Educational Technology	Various	1,800,000		1,800,000	
D-7529	New Classroom Buildings	Various	35,000,000	(10,000,000)	25,000,000	Project budget reduction due to reduced estimated Erate funding.
D-7599	Program Management	N/A	4,000,000		4,000,000	
	Contingency	N/A	3,283,800	(1,050,000)	2,233,800	Contingency adjustment/reconciliation related to the budget adjustments above.
Totals			176,774,360	(10,050,000)	166,724,360	

**CAJON VALLEY UNION SCHOOL DISTRICT
EL CAJON, CALIFORNIA
RESOLUTION
April 28, 2014**

**Resolution of the Governing Board of the Cajon Valley
Union School District Ordering an Election to Authorize
the Issuance of School Bonds, Establishing Specifications
of the Election Order, And Requesting Consolidation
With Other Elections Occurring On November 4, 2014**

ON MOTION of Member Justin Slagle, seconded by
Member Jill Barto, the following resolution is adopted.

WHEREAS, in the judgment of the Governing Board (the "Board") of the Cajon Valley Union School District (the "District"), it is advisable to call an election to submit to the electors of the District the question of whether bonds of the District shall be issued and sold for the purpose of raising money to finance the technology projects identified in Appendix A hereto; and

WHEREAS, the Board is authorized, upon a two-thirds vote of the Board, to pursue the authorization and issuance of bonds by a 55% vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes, under Article XIII A Section 1 paragraph (b) of the California Constitution ("Article XIII A") and under Education Code Section 15264 *et seq.* (the "Act"); and

WHEREAS, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election, or a statewide special election; and

WHEREAS, the Board desires to call an election in the District on November 4, 2014, which is the date of a regularly scheduled local election, pursuant to Article XIII A and the Act, and, pursuant to Section 10403 of the California Elections Code, to request consolidation with any and all other elections held in the District on such date, and to request the San Diego County Registrar of Voters to perform election services for the District;

NOW, THEREFORE, THE GOVERNING BOARD OF THE CAJON VALLEY UNION SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$20,000,000 for the purposes described in the ballot measure approved under Section 3 and attached hereto as Appendix A (Full Text) and Appendix B (Abbreviated Text), and paying costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the "specifications of the election order" pursuant to Education Code Section 5322.

Section 2. Election Date. The date of the election shall be November 4, 2014, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District's last election.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a measure, a full copy of which is attached hereto as Appendix A and marked "Exhibit A – Ballot Measure – Full Text of Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF MEASURE" and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure. As required by Elections Code Section 13247 and Education Code Section 5322, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Exhibit B – Ballot Measure – Abbreviated Form." The Superintendent is hereby authorized and directed to make any changes to the text of the measure (full text and/or abbreviated measure) as required to conform to any requirements of Article XIII A, the Act or the San Diego County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section I paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. School Facilities Projects. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

Section 6. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures. As required by Article XIII A, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

- (a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Exhibit A;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Exhibit A;
- (c) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
- (d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;
- (e) cause creation of accounts into which bond proceeds shall be deposited; and

- (f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

Section 7. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the San Diego County Superintendent of Schools, (2) the San Diego County Registrar of Voters (the "County Registrar") and (3) the San Diego County Clerk of the Board of Supervisors. Pursuant to Education Code Section 5322, the Resolution shall be received by the County Registrar no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto.

Section 8. Consolidation of Election; Request to Provide Services. The County Registrar and the San Diego County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014 within the District. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of San Diego County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse San Diego County in full from District general funds upon presentation of a bill from the 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 Section 9401 of the Elections Code).

Section 9. Ballot Arguments; Tax Rate Statement. Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The President of the Board, the Superintendent or any designee of the foregoing, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

Section 10. Maturity Limit of Bonds; Current Interest Bonds. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature not more than five years from the date of issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 et seq. of the California Government Code, if lawfully available to the District, or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds shall be issued as current interest bonds and shall not be issued as capital appreciation bonds.

Section 11. Engagement of Professional Services. The Superintendent is authorized and directed to execute the agreements on file with the financial advisory firm of Dale Scott & Company and the law firm of Jones Hall, A Professional Law Corporation, which firms are hereby appointed to perform financial advisory and bond counsel and disclosure counsel services in connection with the Bonds.

Section 12. Effective Date. This resolution shall take effect on and after its adoption.

* * * * *

The foregoing Resolution was adopted by the Governing Board of Education of the Cajon Valley Union School District of San Diego County, being the Board authorized by law to make the designations therein contained by the following vote, on April 28, 2014.

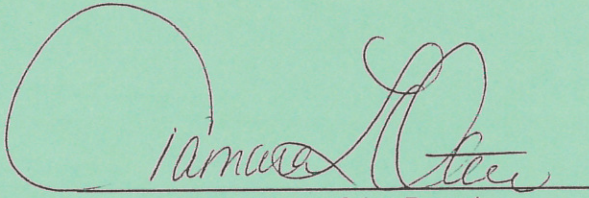
Adopted by the following votes: *[2/3 vote of entire Board required]*

AYES: 5

NOES: 0

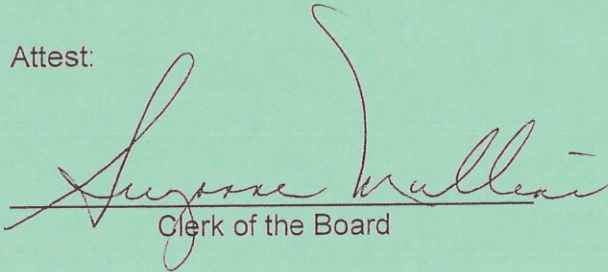
ABSENT: 0

ABSTAIN: 0



Patricia Steele
President of the Board

Attest:



Suzanne Mullen
Clerk of the Board

APPENDIX A
BALLOT MEASURE
FULL TEXT OF MEASURE

To increase student access to computers; maintain and upgrade educational technology; keep pace with 21st century technological innovations; implement statewide technology requirements for testing and learning; and significantly reduce borrowing costs, shall Cajon Valley Union School District issue \$20,000,000 of short-term bonds with the interest rates at or below the legal limit, independent citizen oversight, and no money for administrator/teacher salaries, so long as all funds are spent locally and cannot be taken by the State?

Bonds—Yes

Bonds—No

BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$20,000,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facility technology projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

FINANCING PLAN

The District intends to use the Bonds to provide for an ongoing source of funding for the evolving educational technology needs of its students and staff. In addition, the District intends to match as closely as possible the term of each series of Bonds to the useful life of the technology equipment being financed. As such, the District anticipates that the amortization (or repayment period) of each series of Bonds will be approximately three years and will in no case be in excess of five years. Based on current assumptions, the District estimates that the proposed Bond will provide for its technological funding needs for approximately 8 years into the future.

All Bonds will be sold as current interest bonds and the use of capital appreciation bonds will not be permitted.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure so that voters and taxpayers in the District may be assured that their money will be spent wisely.

Expenditures to address specific technology equipment needs of the District will be 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 School Board has identified detailed technology equipment needs of the District and has determined which projects to finance from a local bond at this time. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. The School Board has an established Independent Citizens' Oversight Committee under Education Code Section 15278 and will meet frequently enough to ensure that bond proceeds are expended only on the bond projects listed below.

Performance Audits. The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school technology equipment projects listed below. After the initial bond sale and prior to the second bond sale, the established technology committee composed of representatives from the Board of Trustees and other key stakeholders will review the technology program implementation and recommend potential revisions.

Financial Audits. The School Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school technology equipment projects listed below.

FURTHER SPECIFICATIONS

No Teacher/Administrator Salaries. Bond proceeds may not be expended for school operating expenses, including administrator and teacher salaries, which are not attributable to technology projects.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, acquire, install, equip, furnish, and otherwise improve educational technology equipment projects and supporting systems and software within the District. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary contingency, and other costs incidental to and necessary for completion of the listed projects.

Bond proceeds may also be expended to acquire equipment in any classroom or other educational facility within the District.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

Specific educational technology projects shall include but not be limited to:

Devices and Technology Systems

- Computers and peripheral hardware
- Laptops, eReaders, eTablets, Chromebooks, Netbooks, iPads and mobile computing devices
- Projectors/Projection TV monitors
- Data backup systems
- Mobile computing device charging carts/cabinets
- Wireless access devices and systems

Software

- Computer adaptive software/learning management systems
- Application (Apps)/management software for mobile devices

Infrastructure

- Computer and technology wiring, servers, routers, switches, storage area network (SAN) and other information devices

Implementation

- Installation and upgrading of various technology systems
- Training and related expenses resulting from the implementation of technology projects and internet access

Projects Subject to Available Funding. The forgoing list of projects is subject to the availability of adequate funding to the District. Approval of the bond measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the 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.

APPENDIX B

BALLOT MEASURE ABBREVIATED FORM

To increase student access to computers; maintain and upgrade educational technology; keep pace with 21st century technological innovations; implement statewide technology requirements for testing and learning; and significantly reduce borrowing costs, shall Cajon Valley Union School District issue \$20,000,000 of short-term bonds with the interest rates at or below the legal limit, independent citizen oversight, and no money for administrator/teacher salaries, so long as all funds are spent locally and cannot be taken by the State?

Bonds—Yes

Bonds—No

Ed-Tech Bonds®: Multi-Year Funding

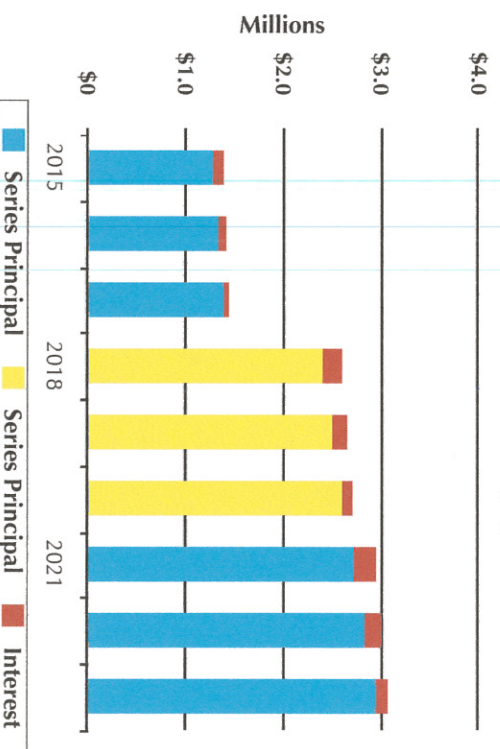
Ed-Tech Bonds® Keeps Tax Dollars in Community

NOTICE: Patented Program - proprietary/
confidential information. Not to be released
or shared without written permission.

Key Assumptions: Cajon Valley Union School District

Bond Structure:	Ed-Tech Bonds®
Term of Financing:	3 Years (each series)
Current AV:	\$13.36 billion
Average Tax Rate:	\$15.48 per \$100,000 AV
AV Growth Rate:	2% per year
Bond Interest Rate:	2.00%
Total Issuance:	\$20 million

Ed-Tech Bonds® Repayment



Year	Bond Issues	Debt Service		
		Principal	Interest	Total
2015	\$4,000,000	\$1,280,000	\$107,200	\$1,387,200
2016		\$1,332,800	\$82,144	\$1,414,944
2017		\$1,387,200	\$56,043	\$1,443,243
2018	\$7,500,000	\$2,400,000	\$201,000	\$2,601,000
2019		\$2,499,000	\$154,020	\$2,653,020
2020		\$2,601,000	\$105,080	\$2,706,080
2021	\$8,500,000	\$2,720,000	\$227,800	\$2,947,800
2022		\$2,832,200	\$174,556	\$3,006,756
2023		\$2,947,800	\$119,091	\$3,066,891
	\$20,000,000	\$20,000,000	\$1,226,934	\$21,226,934

Ed-Tech Bonds®: Election Milestones

NOTICE: Patented Program - Proprietary/
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November 4, 2014 Election

Date	Activity
April 28	Board Approved Ballot Resolution
June - July	Campaign Planning
August 8	Deadline to File Resolution with County
August 20	File Ballot Argument with County
September - November	Campaign
October 1	Absentee Ballots Mailed
November 4	Election Day