

CAJON VALLEY UNION SCHOOL DISTRICT

Proposition C

(This proposition will appear on the ballot in the following form.)

PROP C

To increase student computer/technology access; continue renovating, repairing, equipping and constructing elementary classrooms/school facilities; improve energy efficiency; and reduce overall borrowing costs, shall \$88,400,000 of Cajon Valley Union School District bonds, previously approved by voters in February 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, no money for administrator salaries, and all funds spent locally and not taken by the State?

This proposition requires approval by 55%
of the voters voting on the proposition.

Full text of this proposition follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This proposition, if approved by 55% of the votes cast on the proposition, will authorize the Cajon Valley Union School District ("District") to issue and sell \$88,400,000 in general obligation bonds. The sale of these bonds by the District is for the purpose of raising money for the District, and represents a debt of the District. In exchange for the money received from the holders, the District promises to pay the holder of the bonds an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure also will authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate revenue to pay the principal and interest on the bonds in an amount sufficient to pay the interest as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this proposition may be used by the District for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

The interest rate on any bond, which is established at the time of bond issuance, cannot exceed 12% per annum. The final maturity date of any bond could be no later than 25 years or 40 years after the date the bonds are issued as determined by the District.

COUNTY COUNSEL IMPARTIAL ANALYSIS (Continued)

The tax authorized by this proposition is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for the acquisition or improvement of real property, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot proposition subject to these requirements.

Approval of this proposition does not guarantee that the proposed projects in the District that are the subject of these bonds will be funded beyond the local revenues generated by this proposition.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$88,400,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$88,400,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in Cajon Valley Union Elementary School District (the "District") on November 6, 2012 to reauthorize the sale of \$88,400,000 in general obligation bonds, previously approved by voters in November 2008 through the issuance of new 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 estimated assessed valuations available at the time of filing of this statement, is \$.03000 per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2013-14.
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 estimated assessed valuations available at the time of filing of this statement, is \$.03000 per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2018-19.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.03000 per \$100 (\$30.00 per \$100,000) of assessed valuation.

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.

Dated: June 27, 2012

Scott Buxbaum,
Assistant Superintendent, Business Services
Cajon Valley Union Elementary School District

ARGUMENT IN FAVOR OF PROPOSITION C

In February 2008, voters in the Cajon Valley Union School District overwhelmingly passed a general obligation bond to improve our children's elementary schools. Since that time, tremendous improvements have been made in repairing and rehabilitating our children's schools and classrooms.

But much remains to be done. Proposition C will reauthorize \$88.4 million of the previously approved 2008 bonds. By voting YES on Proposition C, we can continue to improve our local elementary schools while at the same time SAVING MILLIONS OF TAXPAYER DOLLARS.

Proposition C makes financial sense for taxpayers. Here's why:

- By reauthorizing the 2008 bonds, the District can borrow at much lower interest rates, saving taxpayers millions of dollars in interest.
- The reauthorized bonds will NOT cause any increase in total District debt.
- Funds cannot be spent on administrative salaries.
- An independent citizens' oversight committee must review all expenditures.
- All Proposition C funds MUST be used to improve our children's schools and **CANNOT BE TAKEN AWAY BY THE STATE AND SPENT ELSEWHERE!**

Proposition C will continue to improve our children's education by:

- Upgrading electrical systems to improve student access to computers and modern technology.
- Making general facility and maintenance improvements to classrooms and school facilities to provide safe, clean learning environments.
- Upgrading and modernizing aging classrooms.
- Upgrading classrooms and school facilities to make them more energy efficient and qualifying the District for energy conservation grants.
- Replacing older facilities with new, modern, more efficient facilities and replacing portable classrooms with permanent buildings.
- Installing cutting edge instructional technology infrastructure.

Proposition C will protect and improve our community by helping to maintain housing values and stimulate our local economy. And, it will save taxpayers millions of dollars in interest.

Please join us by voting YES on Proposition C!

Linda Webb

Prop D Citizen's Bond Oversight Committee &
2011-2012 PTA President, Naranca Elementary

Paul Russell

Founder, Christian Youth Theater &
Christian Community Theater

Victor Garcia

Past President
East County Latino Association

Jane Cruz Alfano

Learning Environment Task Force &
Prop D Citizens' Bond Oversight Committee

Steven A. Devan

Vice President
Cajon Valley Education Foundation

ARGUMENT AGAINST PROPOSITION C

No argument against the proposition was filed in the office of the Registrar of Voters.

STATE MATCHING FUNDS

(This statement is provided pursuant to Education Code Section 15122.5)

Approval of Proposition C does not guarantee that the proposed project or projects in the Cajon Valley Union School District that are the subject of bonds under Proposition C will be funded beyond the local revenues generated by Proposition C. 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 proposition.

ACCOUNTABILITY MEASURES

(This statement is provided pursuant to Government Code Section 53410)

As required by Section 53410 of the Government Code, the following accountability measures are hereby made a part of the District's Bond Proposition C (the "Proposition"):

- (a) The specific purpose of the Bonds is set forth in the Full Text of the proposition;
- (b) The proceeds from the sale of the District's bonds will be used only for the purposes specified in the Proposition, and not for any other purpose;
- (c) The proceeds of the Bonds will be deposited into a Building Fund to be held by the San Diego County treasure, as required by the California Education Code; and
- (d) The Superintendent of the District shall cause an annual report to be filed with the Governing Board of the District, the first report to be filed not later than one year after the issuance of the first series of the bonds, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the Measure, as required by Sections 53410 and 53411 of the Government Code.

CAJON VALLEY UNION SCHOOL DISTRICT

Proposition C

BALLOT PROPOSITION - FULL TEXT

To increase student computer/technology access; continue renovating, repairing, equipping and constructing elementary classrooms/school facilities; improve energy efficiency; and reduce overall borrowing costs, shall \$88,400,000 of Cajon Valley Union School District bonds, previously approved by voters in February 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, no money for administrator salaries, and all funds spent locally and not taken by the State?

Bonds ☐ Yes

Bonds ☐ No

BOND AUTHORIZATION

By approval of this proposition 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 \$88.4 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Proposition D at an election held in the District on February 5, 2008. However, due to State law limitations imposed on the issuance of bonds under Proposition D, the District estimates that it will be unable to issue any additional Proposition D Bonds in the immediate future. The Governing Board of the District has found and determined that there continues to be an urgent need in the District for the completion of the educational projects approved by District voters under Proposition D, and that no other District resources are available to finance such projects. If the Bonds are approved and issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Proposition D Bonds in a like amount.

BALLOT PROPOSITION - FULL TEXT (Continued)

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. Expenditures to address specific facilities 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 facilities 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 shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

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 facilities projects listed below.

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 facilities projects listed below.

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.

BOND PROJECT LIST

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

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish, rebuild and otherwise improve educational and support facilities 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, landscaping, construction management and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects.

BALLOT PROPOSITION - FULL TEXT (Continued)

Bond proceeds may also be expended to acquire real property (or any interest in real property) for future educational and support facilities and to acquire and install furniture, fixtures and equipment at any classrooms and other educational facilities within the District. The District may alter the scope and nature of any of the specific projects which are described below as required by conditions that arise during the course of design and construction.

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.

RENOVATION, MODERNIZATION, AND REPAIR OF EXISTING SCHOOLS AND FACILITIES

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, rebuild, furnish and otherwise improve the District's facilities as described in the following list. Whenever specific items are included in the following list, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects.

Anza Elementary - Built 1960	Avocado Elementary – Built in 1970
Blossom Valley Elementary - Built in 1993	Bostonia Elementary – Built in 1995
Cajon Valley Home School	Cajon Valley Middle – Built in 2006
Chase Elementary – Built in 1952	Community Day – Built in 2007
Crest Elementary – Built in 1956	Cuyamaca Elementary – Built in 1948
Emerald Middle – Built in 1958	Flying Hills Elementary – Built in 1959
Fuerte Elementary – Built in 1959	Greenfield Middle – Built in 1956
Hillsdale Middle – Built in 1995	Jamacha Elementary – Built in 1991
Johnson Elementary – Built in 1954	Lexington Elementary – Built in 1956
Los Coches Creek Middle – Built in 2006	Madison Avenue Elementary – Built in 1958
Magnolia Elementary – Built in 1952	Meridian Elementary – Built in 1949
Montgomery Middle – Built in 1974	Naranca Elementary – Built in 1957
Rancho San Diego Elementary – Built in 1986	Rios Elementary – Built in 1959
Sevick – Built in 1974	Vista Grande Elementary – Built in 1981
W. D. Hall Elementary – Built in 1960	

Such projects shall include, but shall not be limited to:

- Improve energy efficiency in the District including, but not limited to replacing and upgrading heating, ventilation, and air conditioning (HVAC) systems with energy efficient systems.
- Install cutting edge instructional technology infrastructure/equipment to improve student access to computers and modern technology
- Maintenance improvements to classrooms and school facilities including, but not limited to, upgrades to electrical and storm drain systems, and master clocks.
- Classroom and school facilities upgrades including, but not limited to, improvements to playgrounds and equipment and expansion of counseling centers.
- Construct new gymnasiums at the middle school sites that currently do not have one.

BALLOT PROPOSITION - FULL TEXT (Continued)

- Rebuild, modernize and repair older school facilities including 50-year old schools and those eligible for state matching grant funds.
- Install security fencing, cameras, and lighting systems to ensure campuses are adequately secured.
- Conduct necessary site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of portable classrooms.
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Furnish and equip schools as needed to the extent permitted by law.
- Install utility improvements to help reduce operating expenditures.
- Modify/expand student pick-up/drop-off locations to ensure greater efficiency and safety.