



## Local ballot measure: O

# O

## Scotts Valley School District Bond

### Ballot question

To improve education quality; repair leaky roofs; install energy-efficient HVAC; construct multi-purpose rooms and safer playgrounds at elementary schools; provide all-weather track and field at Scotts Valley High School; and make essential safety improvements; shall Scotts Valley Unified School District's measure be adopted issuing \$85,000,000 of bonds at legal rates, generating on average \$5,000,000 annually while bonds are outstanding at a rate of approximately \$49 per \$100,000 assessed value, with annual audits, independent citizens' oversight, money staying local and none for salaries?

### Pregunta de Boleta

Para mejorar la calidad de la educación; reparar techos con goteras; instalar sistemas de climatización de emergencia; construir salas de usos múltiples y patios de recreo más seguros en las escuelas primarias; proporcionar atletismo para todo tipo de clima en Scotts Valley High School; y realizar mejoras esenciales en materia de seguridad; ¿Se debería adoptar la medida del Distrito Escolar Unificado de Scotts Valley emitiendo \$85,000,000 en bonos a tasas legales, generando en promedio \$5,000,000 anuales, mientras que los bonos están en circulación a una tasa de aproximadamente \$49 por cada \$100,000 de valor tasado, con auditorías anuales, supervisión de ciudadanos independientes, dinero que se permanezca local y sin ninguno uso salarios?

### What your vote means:

#### YES

A "yes" vote on Measure O is a vote to authorize the issuance of bonds in the amount of \$85,000,000 to be financed by an annual property tax.

#### NO

A "no" vote on Measure O is a vote against the issuance of the proposed bonds.

### For and against Measure O

Titles used by argument signers are for identification purposes only and does not necessarily reflect the position of the organization in question.

If an asterisk (\*) follows a name, it means the person is signing on behalf of that agency/organization.

#### FOR

**Roger L. Snyder**

Trustee, Scotts Valley Unified School District

**Laurie Ponos**

Kindergarten Teacher

**Todd G Hoffman**

Track Coach/Volunteer, Falcon Club, Vice President, Scotts Valley High School

**Sue Roth**

Santa Cruz County Office of Education Board of Trustees President

**Allan Timms**

City Council Member, City of Scotts Valley

#### AGAINST

**No Argument against Measure O was filed.**

Arguments and replies are the opinions of the authors. We print them exactly as submitted, including errors.



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Argument for Measure O	Argument against Measure O
<p><b>Scotts Valley voters have</b> reliably and resoundingly passed measures to support teachers, student programming, and renovating Scotts Valley Middle School. It's now time to address the ailing infrastructure of our two 50-year-old elementary schools and 25-year-old high school.</p> <p><b>A YES vote on Measure O will allow Scotts Valley Unified School District (SVUSD) to address significant facility needs at each campus.</b> This bond will enable SVUSD to:</p> <ul style="list-style-type: none"> <li>• Fix degraded infrastructure (roofs, plumbing, electrical) and safety concerns at the three oldest sites</li> <li>• Install multipurpose rooms and replace outdated play structures at both elementary schools</li> <li>• Upgrade outdoor sports and PE facilities at Scotts Valley High School, for student and community use</li> <li>• Reduce PG&amp;E expenses with solar panels and energy-efficient air conditioning at all campuses</li> <li>• Fund essential repairs identified in the SVUSD facilities master plan</li> </ul> <p>A detailed list of potential projects is in the full resolution text.</p> <p><b>Adopting Measure O will:</b></p> <ul style="list-style-type: none"> <li>• Generate more than \$80 million in locally-controlled funds, bringing our campuses into parity with other local schools and decreasing the transfer of students elsewhere in search of better facilities</li> <li>• Allow SVUSD to qualify for state-matching funds to leverage our local dollars and get more done</li> </ul> <p><b>Voting YES on Measure O is a fiscally responsible choice:</b></p> <ul style="list-style-type: none"> <li>• Revenue can only be spent on facilities – <i>not on salaries, programming, or administration</i>. Spending will be audited annually by an independent citizens' committee</li> <li>• Safe, modern, and thriving schools enhance local property values</li> <li>• Construction costs will keep escalating if we don't act soon</li> </ul> <p>Our students and staff deserve facilities that reflect the high quality of education provided by SVUSD. <b>Let's build for our future and recognize that the future starts now.</b> Quality schools are vital to support academic achievement, increase property values and community safety, and prepare our children for success.</p> <p>We ask SVUSD residents to continue their support for our schools, students, and community. <b>Vote YES on Measure O.</b></p> <p><b><a href="http://www.SupportOurScottsValleySchools.com">www.SupportOurScottsValleySchools.com</a></b></p> <p><b>Roger L. Snyder</b>, Trustee, Scotts Valley Unified School District  <b>Laurie Ponos</b>, Kindergarten teacher  <b>Todd G Hoffman</b>, Track Coach/Volunteer, Falcon Club, Vice President, Scotts Valley High School  <b>Sue Roth</b>, Santa Cruz County Office of Education Board of Trustees President  <b>Allan Timms</b>, City Council Member, City of Scotts Valley</p>	<p>No Argument against Measure O was filed.</p>



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### Impartial Analysis of Measure O

**Jason M. Heath**, County Counsel

**By: Ruby Márquez**, Chief Assistant County Counsel

Under the California Constitution and various state laws, school districts may issue bonds if approved by at least 55 percent of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. The principal and interest on the bonds are repaid by an annual property tax levied on all real property within the jurisdiction of the school district. This is known as an “ad valorem tax” and is calculated based on the current assessed value of each property.

Measure O was placed on the ballot by the Board of Trustees (“the Board”) of the Scotts Valley Unified School District (the “District”). The Board asks voters to approve the sale of up to \$85,000,000 in general obligation bonds. These bonds would generate approximately \$5,000,000 annually for the District.

As required by law, the District has submitted a description of the Scope of Projects and a School Facility Project List, which may include, but are not limited to:

- Replacing or repairing deteriorated roofs and gutters, outdated HVAC systems, and other utility systems and infrastructure;
- Constructing multi-purpose rooms with cafeteria space, a swimming pool, and a music and performing art facility for school and community use;
- Modernizing or renovating outdated classrooms, indoor and outdoor learning spaces, restrooms, and playground equipment;
- Upgrading safety systems and improving exterior areas, such as paved surfaces, parking, landscaping, and lighting; and/or
- Purchasing modern technology, including hardware, software, computer, devices and other equipment.

Voters are referred to the full text of the measure for complete information.

School districts are only allowed to use bonds funds for specific legal purposes. The law does not allow these bond funds to be used for teacher and administrator salaries or other school operational expenses.

If the measure passes, the District will be required to follow certain accountability provisions. These include establishing an Independent Citizens’ Oversight Committee and annually completing independent performance and financial audits. Additionally, an annual report must be filed no later than January 1 of every year and include information about the amount of funds collected and expended, and the status of any funded projects.

The District has submitted a Tax Rate Statement and estimates the annual tax rates could range from an average of \$46 to a high of \$49 per \$100,000 of assessed property value per year. It is expected the tax will be collected through fiscal year 2057-58. If all bonds are issued and sold, the best estimate of the total debt to be repaid will be approximately \$170,400,000, including principal and interest.

A “yes” vote on Measure O is a vote to allow the District to issue and sell up to \$85,000,000 in general obligation bonds and financed by an annual property tax.

A “no” vote on Measure O is against the issuance of the proposed bonds.

### Tax Rate Statement of Measure O

**Tayna Krause**, Superintendent, Scotts Valley Unified School District

An election will be held in the Scotts Valley Unified School District (the “District”) on November 5, 2024, to authorize the sale of up to \$85,000,000 of bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* 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. Such 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 District’s assessed valuation, the following information is provided:



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1. The best estimate of the average annual tax rate that would be required to fund this bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is \$46 per \$100,000. It is currently expected that the final fiscal year in which it is anticipated that the tax will be collected is 2057-58.
2. 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 \$49 per \$100,000 of assessed valuation. This rate is projected to apply in fiscal years 2025-26 through 2052-53.
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 \$170,400,000.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

### Full text of Measure O

#### BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Scotts Valley Unified School District (the "District") of the County of Santa Cruz will be authorized to issue and sell general obligation bonds in the aggregate principal of up to \$85,000,000 at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements imposed by law and specified below.

#### ACCOUNTABILITY REQUIREMENTS

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, the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following), and consistent with the Resolution of the Board of Trustees of the District (the "School Board") placing this measure before District voters.

**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. 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.** Following approval of this measure, the School Board will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The Oversight Committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board. No employee or official of the District and no vendor, contractor or consultant of the District shall be appointed to the Oversight Committee. The School Board may determine that its existing Oversight Committee which oversees the expenditure of bond proceeds of prior bond measures of the District shall simultaneously serve as the Oversight Committee for this bond measure.

**Performance Audits.** The School Board will conduct annual, independent performance audits to ensure that the



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bond proceeds have been expended only on the school facilities projects listed below.

**Financial Audits.** The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

**Government Code Accountability Requirements.** As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Bond Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Santa Cruz County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

### **NO ADMINISTRATOR OR TEACHER SALARIES**

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

### **STATE MATCHING FUNDS**

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

### **INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT**

Voters are informed that any estimates or projections in this bond measure and related ballot materials, including relating to estimated rates of *ad valorem* property taxes, the duration of issued bonds and related levies and collections of *ad valorem* property taxes are provided as informational only. Such amounts are estimates and are not maximum amounts or limitations on the terms of the bonds, the tax rate or the duration of the levy supporting repayment of issued bonds. Such estimates depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations are provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District. In addition, the abbreviated and condensed statement of the bond measure presented to voters on the ballot label which is subject to a word count limitation imposed by State law does not limit the scope and complete meaning of the measure provided in this Full Text of the Bond Measure and related ballot materials.

### **BOND PROJECT LIST**

Scope of Projects. Bond proceeds will be expended to repair, modernize, upgrade, renovate, remodel, construct, acquire, replace, equip, furnish, rebuild and otherwise improve educational and support facilities within the District. Projects described below may 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, design review, inspections, site preparation, utilities, landscaping, construction management and other planning, regulatory, 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 projects.

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 and support facilities within the District. The District may alter the scope and nature of any of the specific projects described below as required by conditions that arise during the course of design and construction.



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School Facility Project List. The items presented on the following list are the types of projects authorized to be financed with voter approved bond proceeds. 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 appearance of an example on this list does not guarantee that the item will be funded. The order in which projects are listed is not intended to indicate priority for funding or completion. Whenever a particular project or facility is described in the following list, such project or facility may be newly constructed, acquired, modernized, upgraded, renovated, remodeled, replaced, equipped, furnished, rebuilt or otherwise improved, whether or not any or all of such actions are specifically identified.

The types of projects authorized pursuant to this measure are:

- Repair leaky and/or aging and deteriorating roofs and gutters
- Repair and/or replace outdated and inefficient heating, ventilation and air- conditioning systems (HVAC)
- Construct a multi-purpose room at each elementary school, which may include space for cafeteria functions and indoor gatherings sufficient for the whole school
- Build a swimming pool and related improvements
- Increase student access to modern technology, including providing necessary infrastructure, hardware, software, computers, devices and other modern instructional equipment
- Modernize/renovate outdated classrooms and other indoor and outdoor learning spaces, locker rooms and restrooms, including but not limited to paint, tile, doors, hardware, cabinetry, carpet, curtains/blinds, and partitions, learning and teaching equipment
- Install solar panels and make other energy-efficiency improvements to reduce utility costs including efficient HVAC systems
- Replace outdated playground equipment at the elementary schools
- Construct a music/performing arts facility for school use and community enjoyment
- Build an all-weather track and field at the high school for safer P.E. classes and sports, and for community use including related facility and site improvements such as seating, restrooms, lighting, and sound systems
- Repair/replace deteriorating pavement and parking areas, and improve traffic circulation during school pickup and drop-off
- Acquire, install and/or upgrade campus safety and security systems, such as intercom and emergency communications systems, lighting systems, bell systems, video surveillance systems, alarms, fencing/gates, point of entry access and door locks.
- Improvements to ensure accessibility for all including full compliance with all applicable laws and regulations such as the Americans with Disabilities Act, including site access, restroom access, relocation of electrical devices and drinking fountain and playground equipment accessibility
- Improvements to outdated, aging or failing infrastructure including water, plumbing, sewer, or electric
- Renovate, repair, or upgrade and reconfigure other facilities serving students, staff and the community, including libraries, cafeterias/food service/kitchens, counselling and other student and administrative support spaces
- Abate and remove hazardous materials identified prior or during construction and make improvements to ensure healthy school facilities
- Improvements to facility exteriors such as landscaping, signage, paving, parking, lighting
- Repair, replace and/or upgrade paved surfaces and other grounds to eliminate any potential safety hazards and provide sufficient pathways

Incidental Expenses. Each of the bond projects described in this Bond Project List include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, bond project



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construction management, administration and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits and other accounting services arising from the bonds and the bond program; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; the preparation or restoration of construction, renovation or remodeling; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; lighting at improved facilities to support all activities; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; and costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

Furnishing and Equipping. Each project is assumed to include its share of furniture, fixtures, equipment, architectural, engineering, and similar planning costs, program/project management, related staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. The upgrading of technology infrastructure includes, but is not limited to, computers, projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, printers, digital white boards, document projectors, telephone system, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software.

Changes in Scope; New Construction. The scope and nature of any of the specific projects described above may be altered by the District as required by conditions that may arise during the course of design and construction or based on other factors that the District Board determines require an adjustment to the scope and nature of the projects. Furthermore, the District Board may determine that a project identified as modernization or renovation may be undertaken as new construction if it is more economical for the District or if the Board determines that there are compelling factors that result in new construction being in the best interests of the District and its students. The authority for new construction extends to land acquisition, relocation, expansion and construction and/or reconstruction, similar purchases, and all costs relating thereto. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests, required to expand District facilities, to provide access to school or other District facilities, or to provide additional school or related facilities. Each of the foregoing sentences has independent value and is not conditioned on any of the other sentences in this section.

Factors Impacting Project Implementation; No Guarantee All Projects Addressed. Many factors which the District cannot predict or control may impact its ability to address each of the projects, including but not limited to construction cost issues, supply chain issues which can cause project delays, labor shortages, and unknown environmental factors or site conditions, among others. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed. Approval of this bond measure does not guarantee that all of the projects on the Bond Project List will be funded beyond what can be completed with funds generated by this bond measure. As stated below, the Board is vested with the authority to identify project prioritization within the scope of available funding sources.

Interim Financing Included. Authorized projects include reimbursements for project costs previously paid by the District, and paying and/or prepaying interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes or lease financings, including 2023 Certificates of Participation, relating to facilities projects and/or equipment previously financed.

Joint Use Projects Authorized. Projects on this list may be undertaken and used as joint use projects with other public agencies.



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Bond Project List Not in Order of Priority; Board Determines Prioritization. Approval of this bond measure does not guarantee that the proposed projects will be funded beyond the local revenues generated by the measure. The District's capital needs currently exceed the amount of bonds the voters are being asked to authorize. The order in which particular projects are listed is not intended to suggest priority for funding or completion, and itemization of projects in the list above does not guarantee that all such projects will be undertaken. Project priorities will be determined by the Board of Trustees. The ability of the District to undertake and complete the listed projects is subject to numerous variables including the adequacy and availability of sufficient funding sources. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

Interpretation. The terms of this bond measure and the words used in the Bond Project List shall be interpreted broadly to effect the purpose of providing broad and clear authority for the officers and employees of the District to provide for the school facilities projects the District proposes to finance with the proceeds of the sale of bonds authorized by this proposition within the authority provided by law, including Article XIII A, Section 1(b)(3) of the California Constitution, Education Code Section 15000 *et seq.* and the Strict Accountability in Local School Construction Bonds Act of 2000. Words used in the Bond Project List such as repair, improve, upgrade, expand, modernize, renovate, and reconfigure are used to describe school facilities projects in plain English but are not intended to expand the nature of such projects beyond what is authorized by law. As such, in accordance with legal requirements, the Bond Project List does not authorize, and shall not be interpreted to authorize, expending proceeds of the sale of bonds authorized by this proposition for current maintenance, operation or repairs.

Severability. The District Board hereby declares, and the voters by approving this Bond Measure concur, that every section and part of this bond proposition has independent value, and the District Board and the voters would have adopted each provision hereof regardless of every other provision hereof. Upon approval of this measure by the voters, should any part be found by a court of competent jurisdiction to be invalid for any reason, all remaining parts hereof shall remain in full force and effect to the fullest extent allowed by law, and to this end the provisions of this bond measure are severable.