

MEASURE V

Hollister School District

Ballot Question

To improve conditions, reduce classroom overcrowding, accommodate growing student enrollment in all elementary and middle schools, keep neighborhood schools small and well-maintained by building a new school and continuing to improve school safety, security and technology, maximize energy efficiency, and acquiring, constructing or equipping classrooms, facilities and sites, shall the Hollister School District issue \$36,000,000 in bonds at legal rates, with independent citizens' oversight, annual audits, and no money for administrators' salaries?

BONDS-YES
BONDS-NO

What your vote means?

YES	NO
A "Yes" vote is a vote to approve the issuance and sale of \$36,000,000 in bonds.	A "No" vote is a vote against the issuance and sale of \$36,000,000 in bonds.

Who Filed an Argument In Favor or Against this Measure?

IN FAVOR	AGAINST
<p>HOLLISTER SCHOOL DISTRICT BOARD OF TRUSTEE /s/ Elizabeth Martinez*</p> <p>KRYSTAL LOMANTO, San Benito County Office of Education</p> <p>MARK MEDINA, Board of Supervisors District 1 Elect</p> <p>POLICE ACTIVITIES LEAGUE, /s/ Mike Sanchez*</p> <p>REBECCA SALINAS, Retired Educator</p> <p style="text-align: center;"><i>*=Signing on behalf of a Group or Association</i></p>	<p><i>NO ARGUMENT AGAINST WAS FILED</i></p>

This measure contains the following information:

1. *COUNTY COUNSEL'S IMPARTIAL ANALYSIS*
2. *TAX RATE STATEMENT*
3. *COMPLETE TEXT OF THE MEASURE*
4. *ARGUMENT IN FAVOR*

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE V

The Board of the Hollister School District has placed Measure V on the ballot, asking voters to approve the issuance and selling of school bonds in order to raise money that would go towards improving, upgrading, renovating and replacing the District's existing classrooms and facilities. The money would also be used in the acquisition and construction of additional classrooms and school facilities. Hollister School District has seen an influx of new students in recent years and the money raised from the bonds would assist the School District in providing adequate educational facilities to Hollister students.

The education bonds would be general obligation bonds in an amount of \$36,000,000. The Board will establish an independent citizen oversight committee, an annual performance audit will be conducted, an annual financial audit will be conducted, and no money will be spent on administrator's salaries. The money raised from the sale of the bonds may only be used for the projects on the project list, which includes but is not limited to:

- New classrooms
- Build new facilities
- Upgrades to facilities that comply with the Americans with Disabilities Act
- Code and safety improvements
- Upgrades exterior enclosures
- Roofing upgrades
- HVAC upgrades
- Technology upgrades
- Playground and site improvements
- Modernize classroom and library facilities
- Acquire leased facilities

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE V – Continued...

The Measure would allow the District to exceed the statutory bonding limit of 1.25% of the total assessed valuation of taxable property in the District. In the event that the District seeks to exceed this 1.25% limit they must first seek a waiver from the State Board of Education. Approving the measure would allow the District to seek the waiver. An ad valorem tax will be levied at such rates and for so long as may be required to meet the debt service needs of the bonds proposed to be issued.

The Bonds may be issued for either 25 or 40 years. The estimated tax rate required to be levied to fund the Bond during the first fiscal year after the sale of Bonds is estimated to be \$28.50 per \$100,000 assessed value of property, and this is also the highest estimated tax rate to be levied to fund the bond. The average tax rate is estimated to be \$27.75 per \$100,000. Funds may be expended on the following schools:

- Accelerated Achievement Academy
- Calaveras Elementary School
- Cerra Vista Elementary School
- Gabilan Hills Elementary School
- Hollister Dual Language Academy
- Ladd Lane Elementary School
- R.O. Hardin Elementary School
- Sunnyslope Elementary School
- Marguerite Maze Middle School
- Rancho San Justo Middle School

This also includes new school construction and acquisition of real property and furnishing of a new school.

A "Yes" vote is a vote to approve the issuance and sale of \$36,000,000 in bonds.

A "No" vote is a vote against the issuance and sale of \$36,000,000 in bonds.

Measure U would be approved, and the bonds would issue, if it receives a Yes vote by 55% of the voters.

/s/ BARBARA THOMPSON, Assistant County Counsel

TAX RATE STATEMENT FOR MEASURE V

An election will be held in the Hollister School District (the "District") on November 8, 2016, to authorize the sale of up to \$36 million in bonds of the District for the specific school facilities projects listed in the Bond Project List established by the District, as described in the proposition. If the bonds are authorized, the District expects to sell the bonds in series over time with each series being repaid over a period not exceeding the useful life of the improvements (estimated at this time to be thirty years). 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 California Elections Code.

1. The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the first sale of the bonds, based on estimated assessed valuations available at the time of filing this statement, is \$0.0285 per \$100 of assessed valuation (\$28.50 per \$100,000 of assessed valuation) in fiscal year 2017-18.

2. The best estimate of the tax rate that would be required to be levied to fund the bonds during the first fiscal year after the last sale of the bonds, based on estimated assessed valuations available at the time of filing this statement, is \$0.0285 per \$100 of assessed valuation (\$28.50 per \$100,000 of assessed valuation) in fiscal year 2021-22.

3. The best estimate of the highest tax rate that would be required to be levied to fund the bonds, based on estimated assessed valuations available at the time of filing this statement, is \$0.0285 per \$100 of assessed valuation (\$28.50 per \$100,000 of assessed valuation) in fiscal year 2017-18.

4. The District's best estimate of the average tax rate that would be required to be levied to fund the bonds, based on estimated assessed valuations available at the time of filing this statement, is \$0.02775 per \$100 of assessed valuation (\$27.75 per \$100,000 of assessed valuation) for fiscal year 2017-18 through and including fiscal year 2049-50.

5. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$80,670,990 (\$36,000,000 in principal and \$44,670,990 in interest). This estimate is based on assumptions regarding future assessed values of taxable property located in the District, future interest rates and the term, timing, structure, and amount of the bonds.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the District or any other overlapping public agency.

Voters should also note that estimated tax rates are based on the assessed value of taxable property on San Benito 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.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the San Benito County Assessor in the annual assessment and the equalization process.

Dated: August 1, 2016

/s/ LISA M. ANDREW, Superintendent
Hollister School District

COMPLETE TEXT OF MEASURE V

EXHIBIT A

INTRODUCTION

The Hollister School District serves a population of approximately 5,600 students in 10 schools, including six elementary schools, two middle schools, one dual-language academy, and one accelerated achievement academy. The District is in need of a new school to accommodate a projected increase of 750 pupils over the next seven years. The District has several aging schools, and it faces other challenges to its capacity to adequately house all of its students. The District has an ongoing need for investment infrastructure, including site security needs; technology infrastructure for future needs and increased capacity; and food services. The District needs to be prepared for increased enrollment because of local home development and construction. There are nearly 4,000 new homes currently in planning stages throughout the District. There is presently no additional capacity for more classes at the Calaveras and Accelerated Achievement Academy and Rancho San Justo Middle School. Other school campuses have very limited capacity for more classes. A much larger, and much more long-term solution to address issues of growth, equity, facilities upgrades and modernization needs, will be consideration of the District asking the voters to approve a General Obligation Bond.

The State of California requires a local match, funded primarily through local, general obligation bonds, for school districts wishing to pursue matching state funds for the upgrade or replacement of school buildings and facilities. The millions of dollars potentially available through the State match allows local taxpayers to benefit from the tax dollars they already pay to Sacramento.

It is imperative that our students are housed in safe schools. In addition, our students would benefit from complete, comprehensive, and efficient schools. We need to act locally to build safe and modern schools to ensure our students have the educational opportunities they deserve.

BONDS

To improve conditions, reduce classroom overcrowding, accommodate growing student enrollment in all elementary and middle schools, keep neighborhood schools small and well-maintained by building a new school and continuing to improve school safety, security and technology, maximize energy efficiency, and acquiring, constructing or equipping classrooms, facilities and sites, shall the Hollister School District issue \$36,000,000 in bonds at legal rates, with independent citizens' oversight, annual audits, and no money for administrators' salaries?

BONDS MAY BE ISSUED IN EXCESS OF THE STATUTORY BONDING LIMIT

Issuance of all of the authorized bonds might require the outstanding debt of the District to exceed its statutory bonding limit of 1.25% of the total assessed valuation of taxable property in the District. In that event, the District intends to seek a waiver of its bonding limit from the State Board of Education, which has the power to waive certain requirements of the Education Code applicable to the District. By approval of this proposition, the voters have authorized the District to seek such a waiver, and to issue authorized bonds in excess of the 1.25% limit as the State Board of Education may approve. No such waiver has yet been sought or granted.

SCHOOL FACILITIES PROJECTS TO BE FUNDED FROM BOND PROCEEDS

As required by the California Constitution, the proceeds from the sale of the bonds will be used only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, as specifically set forth in this Exhibit A, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects.

The following list describes the specific projects the District proposes to finance with proceeds of the bonds. The scope of specific projects, the order of construction, and their completion is contingent on final project costs and the availability of needed funds. Further, projects on the project list are of the type that issuing the authorized general obligation bonds as stated will not cause the State to reduce any financial hardship contribution that would otherwise be available to the District had these bonds not been authorized, issued, and or expended for their stated purpose.

New School Facility Construction, in order to serve the expected influx of pupils and families to the District's community, including new construction, with necessary furnishings, equipment and technology improvements, installation of site infrastructure, and land acquisition, as needed, for construction.

Accelerated Achievement Academy, located at 1151 Buena Vista Road, Hollister, California – rehabilitation, reconstruction, or replacement of classrooms, facilities, and improvements, including:

- construct new classroom buildings ("New Classrooms")
- create accessible paths of travel (paving, thresholds, and landings), upgrade door frames and related hardware, upgrade and improve restrooms, casework, signage, and/or other facilities to comply with the Americans with Disabilities Act ("ADA Compliance Upgrades")
- code compliance and safety upgrades to facilities, including restrooms, fire alarms, seismic safety or other retro-fitting (e.g., gas/water shutoff valves), and/or paving ("Code and Safety Improvements")
- infrastructure upgrades, including exterior enclosures ("Upgrade Exterior Enclosures")
- replace or retrofit portable or permanent roofing systems ("Roofing Upgrades")
- replace heating, ventilation, and air conditioning ("HVAC") and/or make other utility systems upgrades, such as EMS ("HVAC Upgrades")
- technology installation and upgrades, including electrical service or distribution, lighting, receptacles, phones, television, and/or data systems ("Technology Upgrades")

COMPLETE TEXT OF MEASURE V – Continued...

- certain site work, including improvements to playfields, athletic fields, site furnishings (e.g., benches, trash bins, bike racks), and/or related utility infrastructure (“Playground and Site Improvements”)
- modernize existing facilities, including replacement of floor, wall, and ceiling finishes and addition of casework and conversion of library facilities to a modern library/media center (“Modernize Classroom and Library Facilities”)
- acquisition of leased facilities, fixtures, and improvements (“Acquire Leased Facilities”)

Calaveras Elementary School, located at 1151 Buena Vista Rd., Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Cerra Vista Elementary School, located at 2151 Cerra Vista Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures

- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Gabilan Hills Elementary School, located at 921 Santa Ana Road, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Hollister Dual Language Academy, located at 873 Santa Ana Road, No. 200, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements

- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Ladd Lane Elementary School, located at 161 Ladd Lane, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

R.O. Hardin Elementary School, located at 881 Line Street, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Code and Safety Improvements
- Roofing Upgrades

- HVAC Upgrades
- Playground and Site Improvements

Sunnyslope Elementary School, located at 1475 Memorial Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- ADA compliance upgrades, including paving replacement and casework
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Marguerite Maze Middle School, located at 900 Meridian Street, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Build and install new facilities, including new locker rooms, installation of all-weather track and field, installation of new gymnasium flooring, and upgrade to science laboratory
- ADA Compliance Upgrades
- Code and Safety Improvements
- Upgrade Exterior Enclosures
- Roofing Upgrades

- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

Rancho San Justo Middle School, located at 1201 Rancho Drive, Hollister, California – rehabilitation or reconstruction of classrooms, facilities, and improvements, including:

- New Classrooms
- Build and install new facilities, including installation of all-weather track and field, installation of new gymnasium flooring, upgrade to science laboratory, and increase musical instrument storage facilities
- Code and Safety Improvements
- Upgrade Exterior Enclosure
- Roofing Upgrades
- HVAC Upgrades
- Technology Upgrades
- Playground and Site Improvements
- Modernize Classroom and Library Facilities
- Acquire Leased Facilities

District Office, located at 2690 Cienega Road, Hollister, California – construction, rehabilitation or reconstruction and installation of facilities and improvements, including:

- Food service upgrades, including a central prep kitchen
- Construction and installation of a network operations center

These projects may include participation in the State Facility Program's Joint-Use Program to gain matching funds for teacher education, multi-purpose rooms, gymnasiums, libraries, childcare, and other qualifying Joint-Use facilities. With respect to such joint-use projects, the bond funds authorized by this Measure may be used to pay all of the local share needed to qualify the projects for special State matching funds under the State Facility Program's Joint-Use Program requirements.

The Board of Trustees hereby certifies that it has evaluated the safety, class-size reduction, and information technology needs of the District in developing this list of school facilities projects.

ACCOUNTABILITY MEASURES

If the bonds are approved, the Board of Trustees will implement the following accountability measures in accordance with State law:

- (a) Use the bond proceeds only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and related uses, as specifically set forth in this Exhibit A, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in this Exhibit A;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for school facilities projects and uses listed in this Exhibit A; and
- (d) Establish and appoint members to an independent citizens' oversight committee to ensure the bonds are used only for the projects and uses listed in this Exhibit A.

STATE MATCHING FUNDS

California Education Code section 15122.5 requires the following statement to be included in this sample ballot:

"Approval of this bond measure does not guarantee that the proposed projects in the Hollister School District that are the subject of bonds under this measure will be funded beyond the local revenues generated by this bond measure. The school district's proposal for certain of the projects assumes the receipt of matching state funds, which are subject to appropriation by the Legislature or approval of a statewide bond measure."

ANNUAL TAX AMOUNT, RATE, AND DURATION

The bonds shall bear interest at an annual rate not exceeding the statutory maximum. The maturity of the bonds shall not exceed the maximum term allowed by law at the time of issuance (currently 25 years if issued under Education Code section 15140, or 40 years if issued under Government Code section 53508, so long as the bonds are not capital appreciation bonds ("CABs," which CABs are limited to 25 years)). Accordingly, as further set forth in the tax rate statement, the *ad valorem* tax will be levied at such rates and for so long as may be required to meet the debt service needs of the bonds proposed to be issued, including such bonds that may be issued to refund any approved bonds.

ARGUMENT IN FAVOR OF MEASURE V

As our community grows, so does the Hollister School District's need for a new school to educate new students that will reside within the District. The County of San Benito and the City of Hollister are experiencing a housing boom that has not been seen since the late 1990's when the Hollister School District built their last school – Ladd Lane Elementary School in 2000.

A YES vote on Measure V will help to fund the construction of a new 900+ student elementary/middle school. While our teachers and staff do a great job in educating our children, we are in need of additional classroom space to keep class sizes optimal and provide students with the facilities they need to succeed.

ARGUMENT IN FAVOR OF MEASURE V – Continued...

Measure V is an investment in our local community and will provide local construction jobs. The District will also aggressively pursue any available matching funds from the State, maximizing the use of our local dollars. However, eligibility for State matching funds is dependent on the passage of Measure V. With the State's match of local Measure V funds, additional funding will be available to improve student nutrition, provide technology for all students, access for people with disabilities, and increase school safety, security, and energy efficiency.

Measure V provides for strict accountability. Measure V funds are reserved for buildings and improvements and cannot be spent on administrator or teacher salaries. An independent Citizens' Oversight Committee will monitor all bond expenditures.

We need to act locally to build new safe schools to ensure that generations of our students have the educational opportunities they need and deserve. Quality educational facilities protect and enhance our property values and support our students. Good schools make great communities.

Please join us and vote YES on Measure V.

HOLLISTER SCHOOL DISTRICT BOARD OF TRUSTEE, /s/ Elizabeth Martinez*

/s/ KRYSTAL LOMANTO, San Benito County Office of Education

/s/ MARK MEDINA, Board of Supervisors District 1 Elect

POLICE ACTIVITIES LEAGUE, /s/ Mike Sanchez*

/s/ REBECCA SALINAS, Retired Educator

**=Signing on behalf of a Group or Association*

NO ARGUMENT AGAINST MEASURE V WAS FILED
