RESOLUTION NO. 16:14

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
HARTNELL COMMUNITY COLLEGE DISTRICT ORDERING
AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF
THE ELECTION ORDER

WHEREAS, the Board of Trustees (the “Board”) of the Hartnell Community College District (the “District”) has determined that certain educational facilities, infrastructure and equipment at each of the District’s campuses need to be constructed, renovated, acquired and equipped in a fiscally prudent manner, to enable the District to maintain Hartnell College as a valuable community resource that provides an affordable, local education, which increases the educational opportunities of all local students, including career and support facilities for veterans who desire to learn in-demand job skills or transfer to four-year universities; and

WHEREAS, like with most community resources, the District partners with area employers and private businesses to train students and save taxpayer money; and

WHEREAS, the costs of attending a U.C. and State college are becoming so expensive, students rely on Hartnell College, and the high quality, affordable college options it provides; and

WHEREAS, in today’s economic times and competitive job environment, the District must continue providing important training and education for local residents entering the workforce for new professions and income opportunities, as well as for local students to earn college credits, certifications and job skills all at a reasonable price; and

WHEREAS, the State of California is not providing the District with enough money for the District to adequately maintain Hartnell College’s educational facilities and academic programs; and

WHEREAS, the Board has received information regarding the feasibility of a local bond measure and the District’s bonding capacity; and

WHEREAS, a local measure will help provide funds that cannot be taken away by the State to support local college transfer and job training; and

WHEREAS, such local measure will include mandatory taxpayer protections, including an independent citizens’ oversight of all funds and mandatory annual financial audits to ensure funds are spent only as authorized; and

WHEREAS, the Board and District has solicited stakeholder and community input on priorities from students, faculty, staff, business and civic leaders, and the community; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional funding to improve facilities to better prepare local students and veterans for transfer to four-year colleges and universities, and/or successful jobs and careers, by means of a general obligation bond, issued in a financially prudent manner; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which reduced the voter threshold
for *ad valorem* tax levies used to pay for debt service or bonded indebtedness to 55% of the votes
cast on a community college district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1,
Title 1 (commencing with Section 15264) of the Education Code (the “Act”) became operative and
established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this
election order and to establish certain annual financial audit requirements standards of financial
accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, the Board determines that, in accordance with Opinion No. 04-110 of the
Attorney General of the State of California, the restrictions in Proposition 39, which prohibit any
bond money from being wasted or used for inappropriate administrator salaries and other operating
expenses of the District shall be strictly monitored by the District’s Citizens’ Oversight Committee;
and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed
property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet
the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39
limits per year per $100,000 of assessed valuation of taxable property; and

WHEREAS, Elections Code Section 9400 *et seq.* requires that a tax rate statement be
contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed
by the District, relating to the election; and

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the
proposal to be submitted to the voters at the election; and

WHEREAS, pursuant to the Elections Code, it is appropriate for the Board to request
consolidation of the election with any and all other elections to be held on Tuesday, November 8,
2016, and to request each of the Monterey County Registrar of Voters and the San Benito County
Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request each of the Monterey
County Registrar of Voters and the San Benito County Registrar of Voters to call an election
pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and
sold on behalf of the District for purposes set forth below.

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE HARTNELL COMMUNITY
COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, Sections 15264 *et seq.* and Government Code Section 53506, hereby requests each of the Monterey County Registrar of Voters and the San Benito County Registrar of Voters to call an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount of $167,000,000 (the “Bonds”) shall be issued and sold to raise money for the purposes described in Exhibits “A” and “B” hereto. Both exhibits are directed to be printed in the voter sample ballot pamphlet.
Section 2. That the date of the election shall be November 8, 2016.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit “A” and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit “A” is subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including faculty and administrator salaries and other college operating expenses;

(b) that the Board, in compliance with Proposition 39, and in establishing the projects set forth in Exhibit “B”, evaluated the student safety, class size reduction, class availability, information technology and the job training needs of the District;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibits “A” and “B” hereto;

(d) that the Board will cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended and accounted for;

(e) that the Board will cause the appointment of a Citizens’ Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens’ Oversight Committee shall initially consist of at least seven (7) members and at no time consist of less than seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies. The Citizens’ Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens’ Oversight Committee shall include, among others, the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens’ organization; One (1) member who is active in a bona fide taxpayer association. In furtherance of its specifically enumerated purposes, the Citizens’ Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

(i) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);

(ii) Inspect District facilities and grounds to ensure that Proposition 39 bond revenues are expended in compliance with applicable law;

(iii) Receive and review copies of all scheduled maintenance proposals or plans developed by the District;
(iv) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs;

(f) that the tax levy authorized to secure the bonds of this election shall not exceed the Proposition 39 limits per $100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIXA of the California Constitution; and

(g) that the District shall promote fair and open competition for all District construction projects so that all contractors and workers, whether union or non-union, are treated equally in the bidding and awarding of District construction contracts; and that the District, consistent with resolution 10:13, will encourage participation by local and regional vendors, suppliers, and contractors in responding to any call for bids, requests for proposals, or other procurement processes used by the District.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 et seq., 15340 et seq. and 15264 et seq. and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Education Code Section 5322.

Section 6. That the Monterey County Registrar of Voters, the Monterey County Board of Supervisors, the San Benito County Registrar of Voters and the San Benito County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2016 within the District.

Section 7. That this Resolution shall stand as the “order of election” to each of the Monterey County Registrar of Voters and the San Benito County Registrar of Voters to call an election within the boundaries of the District on November 8, 2016.

Section 8. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Monterey County Registrar of Voters and the San Benito County Registrar of Voters no later than August 12, 2016.

Section 9. That the Bonds may be issued pursuant to Education Code Section 15300 et seq. and pursuant to Government Code Section 53506. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531. The Board approves the filing with each of the Monterey County Registrar of Voters and the San Benito County Registrar of Voters of a Tax Rate Statement and primary and rebuttal arguments, as appropriate, and directs their publication in accordance with the requirements of the Elections Code.

Section 10. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation. Pursuant to the Elections Code Section 10403, the District acknowledges that the consolidation election will be conducted in the manner described in Elections Code Section 10418.
Section 11. Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Board of Supervisors of Monterey County is requested to permit the Registrar of Voters to render all services specified by Elections Code Section 10418 relating to the election, for which services the District agrees to reimburse each of Monterey County and San Benito 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 Elections Code Section 9401) pursuant to the terms of Education Code Section 5363 and Elections Code Section 12112.
ADOPTED, SIGNED AND APPROVED this 2nd day of August, 2016.

BOARD OF TRUSTEES OF THE HARTNELL COMMUNITY COLLEGE DISTRICT

By ____________________________
Board President

Attest: __________________________
Secretary

STATE OF CALIFORNIA   )
)ss
MONTEREY COUNTY      )

I, Dr. Willard Clark Lewallen, do hereby certify that the foregoing is a true and correct copy of Resolution No. 16:14 which was duly adopted by the Board of Trustees of the Hartnell Community College District at meeting thereof held on the 2nd day of August, 2016, and that it was so adopted by the following vote:

AYES: DePauw, Donohue, Montemayor, Osorio, Padilla-Chavez, Salazar, Serena

NOES: None

ABSENT: None

ABSTENTIONS: None

By ____________________________
Secretary
EXHIBIT A

"HARTNELL COLLEGE REPAIR, JOB TRAINING, IMPROVED ACCESS MEASURE. To repair/upgrade classrooms, expand local access to higher education/ training for high-wage jobs, including nursing, agriculture, science, technology/ engineering, by upgrading aging classrooms, technology, science labs, repairing outdated, deteriorating mechanical/electrical systems, improving veterans’ services, safety, security/ disabled access, removing asbestos, acquiring, constructing, repairing sites/facilities/equipment, shall Hartnell Community College District issue $167,000,000 in bonds at legal rates, requiring citizen oversight, independent audits, all funds used locally?"

Bonds – Yes

Bonds – No
EXHIBIT B
FULL TEXT BALLOT PROPOSITION
HARTNELL COMMUNITY COLLEGE DISTRICT
BOND MEASURE ELECTION NOVEMBER 8, 2016

“HARTNELL COLLEGE REPAIR, JOB TRAINING, IMPROVED ACCESS MEASURE. To repair/upgrade classrooms, expand local access to higher education/ training for high-wage jobs, including nursing, agriculture, science, technology/ engineering, by upgrading aging classrooms, technology, science labs, repairing outdated, deteriorating mechanical/electrical systems, improving veterans’ services, safety, security/disabled access, removing asbestos, acquiring, constructing, repairing sites/facilities/equipment, shall Hartnell Community College District issue $167,000,000 in bonds at legal rates, requiring citizen oversight, independent audits, all funds used locally?”

Bonds – Yes          Bonds – No

PROJECTS

The Board of Trustees of the Hartnell Community College District, to be responsive to the needs of its community, evaluated Hartnell College’s urgent and critical facility needs, and its capacity to provide students and Veterans with support facilities, an affordable education and prepare them for success in college and careers. 21st Century job training, enrollment, class size and class offerings, and information and computer technology infrastructure were each considered, in developing the scope of projects to be funded. In developing the scope of projects, the faculty, staff, students and community have prioritized local job training, particularly in nursing, and other healthcare training, as well as facilities available to support an affordable education, so that the most critical needs that will make Hartnell College an effective place for learning, would be addressed. Based on Board, faculty, student and community input, it was concluded that if these facility needs were not addressed now, Hartnell College would be unable to remain competitive in preparing students for jobs in high demand industries and university transfer. The Board concluded that the longer they waited to repair and upgrade Hartnell College, the more expensive it would be. In approving the Projects, the Board of Trustees determines that Hartnell College MUST:

(i) Improve access to local higher education opportunities; and

(ii) Improve student access to computers and modern technology; and

(iii) Upgrade campus facilities that provide job training for a skilled workforce.
The following types of projects are authorized to be undertaken at Hartnell College:

**LOCAL FUNDS FOR JOB TRAINING AND COLLEGE TRANSFER:**

*Academic Facility and Technology Upgrade Projects To Help Students, Transfer to Four-Year Universities or be Trained For 21st Century Jobs*

- Construct or upgrade classrooms for job training in nursing and other health sciences, agriculture science/technology, teaching and computer/information technology.
- **Repair and upgrade classrooms, labs and job training centers for 21st Century jobs.**
- Provide adequate libraries, classrooms and labs at District instructional locations for career training and transfer to universities.
- Upgrade computer labs and classroom instructional technology.
- **Provide space for universities to offer four-year bachelor's degrees.**
- Update campus facilities to provide access for students with disabilities.
- Increase energy efficiency by replacing aging heating, ventilation and air-conditioning systems with energy-efficient models and install energy saving dual pane windows to reduce operating expenses.
- Upgrade and replace existing information technology infrastructure and network systems to improve efficiency and increase capacity.
- Upgrade and construct academic buildings to expand classrooms for job training and career technical education and provide literacy and English language learning centers.
- Construct science, technology, engineering and math (STEM) labs at District instructional locations.

**LOCAL FUNDS FOR BASIC REPAIRS:**

*Projects Needed To Meet Current Safety Building Codes And Demand for Classes*

- **Repair or replace leaking roofs.**
- Renovate, repair or replace deteriorating and outdated laboratories, classrooms, training centers and support facilities.
- Remove hazardous asbestos, lead paint and other hazardous materials.
- Update classrooms and educational facilities to meet current fire and safety codes.
- Update campus facilities to provide access for disabled students.
- Improve student, staff and faculty safety by upgrading emergency management systems, including video surveillance, emergency communication systems, and security systems.
• Upgrade electrical, mechanical, heating, ventilation and air-conditioning systems.

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FISCAL ACCOUNTABILITY:

This bond measure has strict accountability requirements including:

1. All money will benefit Hartnell College campuses and CANNOT BE TAKEN BY THE STATE.

2. NO MONEY can be used for ADMINISTRATOR SALARIES or administration

3. Require CITIZENS' OVERSIGHT and yearly reports to the community to keep the College accountable for how the funds are spent.

4. NO ADMINISTRATOR SALARIES. Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose, including teacher, faculty and college administrator salaries, pensions and other operating expenses.

5. FISCAL ACCOUNTABILITY. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS’ OVERSIGHT COMMITTEE.

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The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency. In addition to the listed projects stated above, authorized projects also include the acquisition of a variety of instructional, maintenance and operational equipment, including interim funding incurred to advance fund projects from 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 college activities caused by construction projects. In addition to the projects listed above, repair, renovation and construction projects may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; replace aging electrical and plumbing systems; repair and replacement of heating and ventilation systems; upgrade of facilities for energy efficiencies, including photovoltaic/solar installations; repair and replacement of worn-out and leaky roofs, windows, walls doors and drinking fountains; removal of outdated buildings and construction of new classrooms and support buildings; installation of wiring and electrical systems to safely
accommodate computers, technology and other electrical devices and needs; replace mechanical units on all campuses; acquire land; upgrade facilities to meet current earthquake safety standards; repair and replacement of fire alarms, emergency communications and security systems; upgrading, resurfacing, replacing or relocating of hard courts, fields, turf and irrigation systems; install artificial turf on ball fields; replace broken concrete walks, replace deteriorating asphalt; upgrade classrooms; build or upgrade facilities for math, physical sciences, fine arts, theatre arts, and agriculture; construct or expand a simulation lab for allied health programs; improve campus signage; upgrade, resurfacing and reconditioning existing parking lots; renovate or construct a facility for multipurpose/lecture/meeting space for district and community use; repair, upgrade and install interior and exterior lighting systems; replace water and sewer lines and other plumbing systems; construct, upgrade, acquire or expand foreign language, humanities buildings, fine arts and performing arts facilities, physical education facilities, locker rooms, administrative offices, public safety office, maintenance building, student service/campus center and instructional buildings, trades and technology building, library, athletic fields, student services building, turf; acquire transitional portable buildings; improve water conservation and energy efficiency; replace elevators; replace outdated security systems; replace existing window systems with energy-efficient systems to reduce costs; improve insulation, weatherproofing and roofs to reduce costs; improve access for the disabled; install and repair fire safety equipment, including alarms, smoke detectors, sprinklers, emergency lighting, and fire safety doors; replace broken concrete walks, deteriorated asphalt; replace/upgrade existing signage, bells and clocks; demolition of unsafe facilities; install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks; replace sewer lines and improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths for improved safety and access for emergency vehicles, site parking, utilities and grounds. The project list also includes the refinancing of outstanding lease obligations. The upgrading of technology infrastructure includes, but is not limited to, the acquisition of computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, information systems, printers, digital white boards, upgrade voice-over-IP, communication systems, audio/visual and telecommunications systems, call manager and network security/firewall, Internet connectivity, wireless systems, technology infrastructure, and other miscellaneous IT and instructional equipment.

The Project List also includes the construction of a multipurpose education facility in Soledad to better serve South Monterey County; establishment of a “Center for Literacy and Language Development” in South Monterey County; construction of a multipurpose education facility in North Monterey County to better serve students in North Monterey County; addition of classrooms and labs at the Alisal Campus to improve job training programs in commercial refrigeration, food safety, seed science technology; establishment of an Innovation Center and creation of space for learning support and services and community use in Alisal; expansion of the King City Education Center by adding science labs to support STEM education and construction of areas for learning support and services and community use in King City; partner with area high schools to upgrade science classrooms and labs for joint use and to support dual enrollment of high school students; construct a Center for Nursing and Health Science on the main campus in Salinas, and expand or upgrade Buildings D, E, G, H, J, K and N; establishment of a University Center for completion of bachelor’s degrees.

The allocation of bond proceeds will be affected by the District’s receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District’s share of the costs of the projects, the District will not be able to complete some of the projects listed above. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The budget for each project is
an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. 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 bond projects.

Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.
Tax Rate Statement

An election will be held in the Hartnell Community College District (the "District") on November 8, 2016 to authorize the sale of up to $167,000,000 in general obligation 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 $.01985 per $100 ($19.85 per $100,000) of assessed valuation in fiscal year 2017-18.

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 $.01985 per $100 ($19.85 per $100,000) of assessed valuation in fiscal year 2025-26.

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 $.01985 per $100 ($19.85 per $100,000) of assessed valuation. This rate is projected to apply in each fiscal year that the bonds are outstanding.

4. The best estimate from official sources 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 will be approximately $339,000,000.

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: 2 August 2016

Willard Lewallen, Ph.D.
Superintendent/President
Hartnell Community College District