

RESOLUTION NO. 19-20-38

RESOLUTION OF THE BOARD OF EDUCATION OF THE LA MESA-SPRING VALLEY SCHOOL DISTRICT COMMITTING TO BOND MEASURE AND CAPITAL PROJECTS ACCOUNTABILITY AND TRANSPARENCY

WHEREAS, the Board of Education ("Board") of the La Mesa-Spring Valley School District ("District") currently is considering options to call a general obligation bond measure within the District to address critical facility improvement needs; and

WHEREAS, in advance of calling a bond measure, the Board desires to express to the public its intent to fulfill its fiduciary duties to the public in a fiscally responsible, accountable and transparent manner, with input from the local community in the process; and

WHEREAS, the San Diego County Taxpayers Association ("SDCTA") has published criteria that it believes provides the level and type of accountability that local taxpayers deserve from their public servants, including the District, and the Board is committed to meeting those criteria if an election is successful.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the La Mesa-Spring Valley School District as follows:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Bond Measure and Capital Project Accountability Principles.

In its capacity as stewards of public funds, the Board desires to develop and implement a fiscally responsible, accountable and transparent bond measure and bond-funded construction program, and commits to conducting such a program in accordance with the following principles and actions:

(a) *Justifiable Facility Needs*

- 1) The District has and shall demonstrate a clear and justifiable need to build, renovate, repair and modernize facilities, as documented by the Facilities Master Plan and school site facility plans. The District's ballot measure will include a bond project list that describes how bond funds will be spent.
- 2) The total bond authorization amount is based upon the most critical needs and estimated costs thereof identified in a facility needs analysis and Facility Master Plan completed by Harley Ellis Devereaux (HED) and approved by the Board in June, 2020.

(b) *Sources of Capital Funding*

- 1) The District shall seek additional sources of funds that may be available to support projects identified in the bond project list, including state matching funds, joint use funds, and development impact fees.

- 2) The District will continue to actively seek opportunities for joint use of facilities, and coordination and collaboration with other local agencies regarding school facilities construction.

(c) Bond Structure

- 1) Bonds will be structured consistent with the District's approved Debt Issuance and Management Policy (BP 3470) and its General Obligation Bond Policies (BP/AR 7214, 7214.1). Annual assessed value growth assumptions for any proposed financing will be the lesser of (i) the average of the past twenty years or (ii) 5%.
- 2) The District will not authorize the sale of any form of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds unless compliant with all board policies, including Board Policy 7214.1, and without review by the Citizens' Bond Oversight Committee and without complying with all other legal and notice procedures required by law.
- 3) Consistent with federal law, the duration of a debt issue shall be consistent with the economic or useful life of the improvement or asset that the bonds are financing. The final maturity of the debt shall be equal to or less than the useful life of the assets being financed, and the average life of the financing shall not exceed 120% of the average life of the assets being financed, as required by federal tax law.

- (d) Expenditures of Bond Funds. In accordance with the California Constitution, the District shall spend bond funds solely to meet capital facility needs, and more specifically 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 (Cal. Const., art. XIII A, section 1(a).) The District shall not spend bond money on routine annual maintenance, operations, or non-capitalizable salary expenses.

(e) Bond Funded Construction

- 1) The District will promote fair and open competition for all capital projects funded with bond proceeds, consistent with procurement laws, policies and public works construction laws. The District will state in the ballot measure resolution that it does not currently envision using a Project Labor Agreement for the construction of bond funded projects. In the event that the Board wishes to consider the use of a Project Labor Agreement for the construction of bond projects, the Board shall inform the public at least 90 days in advance of any such decision. Notice shall be given via website, publication, social media, District email, or other similar methods of public notice.
- 2) The District and Board will follow a "**No Pay to Play**" policy regarding bond-funded contracts that are procured and let after a successful bond measure, which means that any person or organization that directly or indirectly contributed \$1,000 or more to any District candidate or measure campaign (including a bond measure campaign) or to a foundation that, within the prior 4 years has made a contribution to a District bond measure campaign,

shall be identified publicly as part of the Board's consideration of such person's bond-funded contract.

- 3) The Board will hereby substantially comply with the SDCTA ***School Construction and Professional Services Procurement Best Practices***, as the same may be amended over time to reflect changes in the law; provided, however that the District shall not be precluded from using project delivery and procurement methods permitted by law as long as all transparency and fiscal accountability requirements are met.

(f) *Citizens Bond Oversight Committee.*

- 1) As required by law, the Board will appoint a CBOC. SDCTA shall be entitled to select a member of SDCTA to serve on the CBOC, assuming such appointee is available and is willing and able to meet the District's residency and participation requirements, if any, for membership on the CBOC.
- 2) The CBOC shall meet all requirements of Education Code section 15278-15282 with regard to its membership, duties, activities and responsibilities to the public, and no employee, official, vendor, contractor or consultant of the District shall be appointed to the CBOC.
- 3) The Board hereby adopts the ***Independent Citizens' Bond Oversight Committee Best Practices*** of the SDCTA, as the same may be amended over time to reflect changes in the law. Upon passage of a bond measure, the Board shall adopt a specific policy or set of bylaws consistent with this Resolution to govern the District's relationship with the CBOC, which shall include the aforementioned best practices and as further described in this Resolution.

- (g) *Ongoing Training and Education.* Members of the Board and District staff persons with responsibilities for the bond program shall pursue training and professional development programs available from reputable industry trade organizations and experts in general ethics principles and doctrines, covering techniques for managing a bond construction program, capital finance, and ethics in contracting, procurement and public service.

Section 3. Enactment upon Successful Election.

By no later than sixty (60) days after certifying successful passage of a general obligation bond measure, provisions of this Resolution not contained within the ballot measure or elsewhere in Board Policy will be enacted into a new Board Policy, or into existing Board Policy(ies), and adopted by the Board of Education at a regularly scheduled public meeting.

PASSED AND ADOPTED this day, June 30, 2020, by the following vote:

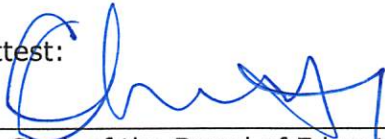
AYES: 05
NAYS: 00
ABSTAIN: 00
ABSENT: 00

APPROVED:



President of the Board of Education of the
La Mesa-Spring Valley School District

Attest:



Clerk of the Board of Education of the
La Mesa-Spring Valley School District