

RESOLUTION NO. 07-15-2014A

RESOLUTION OF THE SPECIAL STATE TRUSTEE OF THE COMPTON COMMUNITY COLLEGE DISTRICT ORDERING AN ELECTION, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, pursuant to State Assembly Bill 318 (Stats. 2006, Chapter 50) (“AB 318”), the Chancellor of the California Community Colleges (the “Chancellor”) has assumed the exercise of all powers and responsibilities of the Compton Community College District Board of Trustees (the “Board”) necessary for the management of the District, including such powers and responsibilities as are relevant and necessary to carry out the transactions contemplated hereby;

WHEREAS, pursuant to AB 318, the Chancellor has delegated the exercise of such powers and responsibilities to a Special Trustee (the “Special Trustee”);

WHEREAS, the Special Trustee of the Compton Community College District (the “District”) has determined that certain educational facilities, infrastructure and equipment of the Compton Community Educational Center (the “Compton Center”) need to be constructed, renovated, acquired and equipped in a fiscally prudent manner, to enable the District to maintain the Compton Center as a valuable community resource that provides an affordable, local education, increases the educational opportunities of all local residents, and offers career and support facilities for students and veterans who desire to learn in-demand job skills or transfer to four-year universities; and

WHEREAS, like with most community resources, the District often partners with area employers to fill local job training and placement needs; and

WHEREAS, since the costs of attending a U.C. and State college is becoming so expensive, more than six times that of attending a community college, more students are relying on community colleges, such as the Compton Center, and the high quality, affordable college options they provide; and

WHEREAS, in today’s economic times and competitive job environment, the District must provide important job training and education for local residents of all ages who want to learn new skills to compete for better paying jobs in this tough economy, as well as for local students to earn college credits, certifications and job skills all at a reasonable price; and

WHEREAS, notwithstanding ongoing efforts to obtain sufficient facility money from the State of California (the “State”), the State has been unable to provide the District with enough money for the District to adequately improve the Compton Center for all students; and

WHEREAS, the Special Trustee 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 efforts and offset State budget cuts; and

WHEREAS, such a 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 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 Special Trustee, it is advisable to provide additional funding to 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 that such projects be undertaken in compliance with all laws relating to open and public bidding; and

WHEREAS, Proposition 46, approved by the voters of the State of California on June 3, 1986 ("Proposition 46"), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those *ad valorem* taxes used to pay for debt service on any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; 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 on 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 Special Trustee 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 Special Trustee 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 enforced by the District's Citizens' Bond Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Special Trustee 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, Section 9400 *et seq.* of the Elections Code of the State of California (the "Elections Code") 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 Special Trustee now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Special Trustee to request consolidation of the election with any and all other elections to be held on Tuesday, November 4, 2014, and to request the Los Angeles County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Special Trustee, it is advisable to request the Los Angeles 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 SPECIAL TRUSTEE OF THE COMPTON COMMUNITY COLLEGE DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Special Trustee, pursuant to Education Code Sections 15100 *et seq.*, Sections 15264 *et seq.* and Government Code Section 53506, hereby requests the Los Angeles 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 \$100,000,000 (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 4, 2014.

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 Special Trustee, in compliance with Proposition 39, and in establishing the projects set forth in Exhibit "B", evaluated the student safety, enrollment, class size, class availability, information technology and the job training needs of the District;

(c) that the Special Trustee will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys are expended for the projects identified in Exhibits "A" and "B" hereto;

(d) that the Special Trustee 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 Special Trustee will cause the appointment of a Citizens' Bond Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Special Trustee enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens' Bond 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' Bond Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens' Bond 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' Bond 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; and

(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 XIII A of the California Constitution.

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 Section 5322 of the Education Code.

Section 6. That the Los Angeles County Registrar of Voters and the Los Angeles County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014 within the District.

Section 7. That this Resolution shall stand as the "order of election" to the Los Angeles County Registrar of Voters to call an election within the boundaries of the District on November 4, 2014.

Section 8. That the Chief Executive Officer is hereby directed to send a certified copy of this Resolution to the Los Angeles County Registrar of Voters no later than August 8, 2014.


Section 9. That the Bonds shall be issued pursuant to Section 15300 *et seq.* of the Education Code or pursuant to Section 53506 of the Government Code. 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.

Section 10. That the Special Trustee 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 Special Trustee consents to such consolidation. The Special Trustee further authorizes the submission of a tax rate statement

and primary and rebuttal arguments, as appropriate, to be filed with the Los Angeles County Registrar of Voters by the established deadlines.

Section 11. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Los Angeles County is requested to permit the Registrars of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Los Angeles 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 Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 15th day of July, 2014.

By 
Thomas Henry, Special Trustee
Compton Community College District

STATE OF CALIFORNIA)

LOS ANGELES COUNTY)

I, Dr. Keith Curry, Chief Executive Officer of the Compton Community College District, do hereby certify that the foregoing is a true and correct copy of Resolution No. #07-15-2014A, which was duly adopted by the Special Trustee of the Compton Community College District at meeting thereof held on the 15th day of July, 2014, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By 
Keith Curry, Chief Executive Officer
Compton Community College District

EXHIBIT A

“COMPTON COMMUNITY COLLEGE DISTRICT CLASSROOM REPAIR, JOB TRAINING/ CAMPUS SAFETY MEASURE. To update aging classrooms/buildings, prepare students/returning veterans for good-paying jobs/university transfer, repair deteriorating gas/sewer lines, electrical wiring/leaky roofs, improve classroom technology, handicapped accessibility, science labs, nursing, paralegal, automotive/other career education programs, upgrade campus safety/security, repair, construct/acquire facilities, sites/equipment, shall Compton Community College District issue \$100 million in bonds at legal rates, with independent financial audits, and all funds used locally?”

Bonds - Yes

Bonds – No

EXHIBIT B
FULL TEXT BALLOT PROPOSITION
COMPTON COMMUNITY COLLEGE DISTRICT
BOND MEASURE ELECTION NOVEMBER 4, 2014

“COMPTON COMMUNITY COLLEGE DISTRICT CLASSROOM REPAIR, JOB TRAINING/ CAMPUS SAFETY MEASURE. To update aging classrooms/buildings, prepare students/returning veterans for good-paying jobs/university transfer, repair deteriorating gas/sewer lines, electrical wiring/leaky roofs, improve classroom technology, handicapped accessibility, science labs, nursing, paralegal, automotive/other career education programs, upgrade campus safety/security, repair, construct/acquire facilities, sites/equipment, shall Compton Community College District issue \$100 million in bonds at legal rates, with independent financial audits, and all funds used locally?”

Bonds - Yes

Bonds – No

PROJECTS

The Compton Community College District, to be responsive to the needs of its community, evaluated the Compton Center’s urgent and critical facility needs, and its capacity to provide local students, and Veterans with support facilities, an affordable education and to prepare them for transfer to four-year colleges and for good-paying jobs. Safety issues, job training, class offerings and availability, and information and computer technology infrastructure were each considered, in developing the scope of projects to be funded. In identifying the scope of projects, the District has prioritized **improving job training programs** and facilities that will help students prepare for and find jobs in automotive technology, aerospace, nursing, paralegal and other in-demand careers that require specific skills, and **basic repairs to facilities** which support an affordable education, so that the Compton Center will be an effective place for learning. The District has concluded that if these facility needs were not addressed now, the Compton Center would be unable to remain competitive in preparing students for jobs in high demand industries and university transfer. The longer they waited to repair and upgrade the Compton Center, the more expensive it would be. **In implementing the projects the District determines that the Compton Community College District shall:**

- (i) **Repair or replace leaky roofs, outdated electrical wiring deteriorating gas, electrical and sewer lines;**
- (ii) **Prepare students and workers for good -paying jobs;**
- (iii) **Enhance and maintain nursing, paralegal, automotive and other career programs;**

- (iv) Provide affordable, low-cost, high quality education needed to successfully transfer to four-year universities; and
- (v) Improve fire safety and security on campus.
- (vi) Adhere to stringent fiscal accountability safeguards including:
 - (a) Require annual financial audits,
 - (b) Require citizens' oversight of all funds,
 - (c) ALL FUNDS WILL BE SUBJECT TO LOCAL CONTROL AND WILL REMAIN LOCAL AT THE COMPTON COMMUNITY COLLEGE DISTRICT.

The following types of projects are authorized to be undertaken at the District:

**Academic Facility Upgrade Projects to Help Students,
Transfer to Four-Year Universities or be Trained For Good-Paying Jobs**

Goal and Purpose: Ensuring students, and veterans are either prepared for transfer to University of California or State college systems or trained for in-demand, good paying jobs are major objectives of the Compton Center.

Compton Center provides essential job training and workforce preparation for students of all ages, and local residents who want to learn new skills to compete for better paying jobs in this tough economy. This measure will expand access to the training programs that will help students prepare and find jobs in automotive technology, aerospace, nursing, paralegal, early childhood education and other in-demand careers that require specific skills.

Since the cost of attending a public university has risen to as much as six (6) times that of attending the Compton Center, students rely on the Compton Center to save as much as \$35,000 in tuition on their way to a four-year degree. Therefore, keeping the Compton Community College District facilities upgraded will best serve all local residents, and their families who rely on the Compton Center to earn college credits, certificates and job skills at a reasonable price:

- Upgrade and expand facilities for career training in well-paying careers and transfer to universities.
- Expand course opportunities, classrooms and instructional facilities in nursing, paralegal, automotive and other career education programs, and core academic facilities.
- Expand facilities to provide career training and support services to returning veterans seeking training or retraining to reenter the workforce.
- Upgrade outdated science, math and computer labs and expand College facilities providing instruction in Science, Technology, Engineering and Math (STEM).
- Upgrade classroom technology and infrastructure to improve computer technology.

- Upgrade outdated job-training classrooms, labs and equipment to provide all students with opportunities to learn job skills.
- Construct a public safety facility.
- Update or replace aging facilities.

**Repair and Construction Projects to
Provide Greater Access to an Affordable Education**

Goal and Purpose: Much of Compton Community College District campus was built over sixty years ago in the 1950s, and many buildings, classrooms, science labs and job training equipment are deteriorating and outdated. This measure will address urgent and basic repairs such as upgrading electrical systems, gas and sewer lines, fixing leaky roofs, repairing bathrooms and replacing outdated plumbing and wiring to make our local college clean and safe for learning.

- Ensure buildings are accessible for the disabled.
- **Repair deteriorating gas, electrical and sewer lines and leaky roofs.**
- Upgrade aging roofs, bathrooms and disabled accessibility, repair floors, walkways, lighting and electrical systems.
- Construct more classroom space.
- Remove asbestos and lead paint.
- Upgrade campus facilities to provide improved access, including road and parking upgrades to **improve safety**, access and traffic flow.
- **Upgrade fire safety equipment.**
- Improve heating, ventilation, insulation, doors, lighting, and windows to increase energy efficiency and save money.
- **Upgrade** outdated **electrical** systems and **wiring** for computer technology and Internet access.
- Renovate, repair or replace outdated laboratories, classrooms, training centers and support facilities.
- Improve emergency communications systems.
- Upgrade and replace classroom instructional equipment.
- Improve **campus safety and security**, emergency preparedness, and security systems, including lighting, fencing, smoke detectors, fire alarms and sprinklers, gas and sewer lines.

- Repair and **earthquake retrofit** classrooms.

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FISCAL ACCOUNTABILITY

This bond measure has strict accountability requirements including (a) an independent Citizens' Oversight Committee with representation from throughout our region; (b) annual financial audits to make sure money is being spent as promised; (c) no money from this measure will go towards salaries or pensions, and (d) all money will stay local and cannot be taken by Sacramento politicians.

1. 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 AND COLLEGE ADMINISTRATOR SALARIES, PENSIONS AND OTHER OPERATING EXPENSES.

2. 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' BOND 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' BOND OVERSIGHT COMMITTEE.

3. BOND ISSUANCE LIMITS.

(a) No bonds shall be issued until the Board has established specific project priorities.

(b) Bonds must be phased in over time so that project success can be determined before more bonds are issued.

(c) Bonds must have a term not longer than the useful life of the project or equipment being financed.

(d) The availability of State matching funds shall be considered in selecting projects.

* * *

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 the reduction or retirement of outstanding lease obligations and 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; 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; upgrade classrooms; build or upgrade library, facilities for math, physical sciences; repair, upgrade and install interior and exterior lighting systems; replace water and sewer lines and other plumbing systems; construct, upgrade or expand Student Services Building, Instructional Building 3 and Performing Arts Center, math/science building, vocational technology building, physical education facilities/complex, modernize gym, District administrative offices, instructional buildings, athletic and play fields, pool, bleachers, lockers, team meeting rooms, child development center, parking lots, turf; upgrade to sustainable landscaping; improve water conservation and energy efficiency; 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 upgrading of technology infrastructure includes, but is not limited to, the funding of a technology fund, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, information systems, printers, digital white boards, upgrade voice-over-IP, communication systems, computers, call manager and network security/firewall, Internet connectivity, wireless systems, technology infrastructure, upgrades to data center, cabling, and other miscellaneous equipment.

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, such as physical education facilities, 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.