

San Bernardino City Unified School District

CERTIFICATION OF MINUTES

The Board met in regular session on the 4th day of May 2004, at the usual meeting place thereof. The meeting was called to order at 5:30 p.m.

Members present: Brown, Dupre, Parra, Savage, Tillman, Valdez

Members absent: Penman

The adoption of the following resolution and order was moved by Member Parra, seconded by Member Savage, and a vote being taken, the said resolution and order was adopted by the following votes of members present at that time.

AYES: Brown, Dupre, Parra, Savage, Tillman, Valdez

NOES: None

WHEREAS, the Board of Education of the San Bernardino City Unified School District (the "District") desires to finance the costs of acquiring, constructing, reconstruction and/or equipping of school facilities as provided in Exhibit B to this Resolution of the District and incorporated herein (the "Project"); and

WHEREAS, the District intends to finance the acquisition, construction, reconstruction and/or equipping of the Project or portions of the Project with the proceeds of the sale of general obligation bonds or other forms of debt, the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the District; and

WHEREAS, the Board of Education has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations.

Section 2. The reasonably expected maximum principal amount of the Obligations is \$140,000,000.00.

Section 3. This resolution is being adopted on or prior to the date that the District will expend moneys for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. The District will make a reimbursement allocation, which is a written allocation that evidences the District's use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The District recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts and expenditures for construction projects of at least five years.

Section 5. Each Expenditure will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the obligation, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the District so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the District.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the District, as of the date hereof. No moneys from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. This resolution is adopted as official action of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Obligations.

Section 8. All the recitals in this Resolution are true and correct and this Board of Education so finds, determines, and represents.

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION MARCH 2, 2004

The following is the full proposition presented to the voters by the San Bernardino City Unified School District.

"San Bernardino School Safety, Overcrowding/Repair Measure. To improve student safety, repair local schools and relieve overcrowding by:

- Installing/repairing fire safety equipment;
- Fixing leaky roofs/decaying walls;

- Removing asbestos;
- Upgrading bathrooms, plumbing, sewers/electrical wiring for computer technology;
- Building new schools;
- Improving disabled access;
- Repairing, expanding, constructing, acquiring/equipping classrooms, labs, sites, libraries

shall San Bernardino City Unified School District issue \$140,000,000.00 in bonds, at legal rates, with **guaranteed annual audits**, citizen's oversight, and no money for administrators salaries?"

PROJECTS

The Board of Education of the San Bernardino City Unified School District evaluated the District's urgent and critical facility needs, including safety issues, infrastructure systems such as electrical, plumbing, heating and cooling, enrollment growth, energy cost reduction, information and computer technology, and the impact of aging facilities, in developing the scope of projects set forth below (the "School Facilities Need Plan"). In developing the scope of projects the faculty, staff and community representatives have prioritized the key educational, health and safety needs so the most critical needs of the District are addressed. The District conducted facilities evaluations and received public input and review in developing the scope of projects to be funded. The input to the Board concluded that if these needs were not addressed now, the problems would only get worse. **In preparing the Facilities Need Plan the Board of Education made three important determinations:**

- (i) **Severe overcrowding at our neighborhood schools must be addressed. More schools, classrooms and labs are needed due to the thousands of new students entering local schools each year;**
- (ii) **While it is critical to reduce overcrowding, another priority of the District must be to upgrade old, deteriorating and rundown schools to make our classrooms safe for learning; and**
- (iii) **It will be less expensive to upgrade and repair aging classrooms and facilities now than in the future. If we don't do something now, the problems will only get worse and the repairs will be even more expensive to complete.**

REPAIR, UPGRADE, AND/OR REPLACE OBSOLETE AND AGING CLASSROOMS, SCHOOLS, SCIENCE LABS, BATHROOMS, SITES AND UTILITIES—All schools will benefit from repair and upgrade projects, such as:

- Repairing leaky roofs;
- Repairing and upgrading bathrooms;
- Replacing outdated plumbing and sewer systems;
- Installing and repairing fire safety equipment including alarms and fire safety doors;
- Making schools accessible to the disabled;
- Removing dangerous asbestos;
- Repairing decaying walls, doors and inefficient windows;
- Upgrading electrical systems and providing access to computer technology networks and the Internet;
- Refinancing existing lease obligations to reduce payments and save money;

- Replacing and installing lunch shelters;
- Repairing and replacing heating, cooling and ventilation systems;
- Purchasing equipment such as desks, tables and science lab instructional equipment;
- Providing earthquake retrofitting;
- Upgrading ventilation systems to improve air quality;
- Repairing aging classrooms and science labs;
- Repairing and upgrading physical education classrooms, gyms and fields;
- Installing energy efficient lighting systems that conserve electricity and save on costly utility bills;
- Replacing rundown portables with permanent classrooms;
- Replacing worn-out floor tiles and carpeting;
- Installing safety fencing around schools and other security measures.

The repair and upgrade projects are planned for the following schools:

Ramona-Alessandro	Lankershim	Arrowview
Anderson	Lincoln	Curtis
Arrowhead	Lytle Creek	Del Vallejo
Barton	Marshall	Golden Valley
Belvedere	Monterey	King
Bradley	Mt. Vernon	Richardson
Burbank	Muscoy	Serrano
California	Newmark	Shandin Hills
Carmack	North Park	Arroyo Valley
Cole	North Verdemont	Cajon
Cypress	Bonnie Oehl	Middle College
Davidson	Palm Avenue	Pacific High School
Del Rosa	Parkside	San Andreas
Emmerton	Riley	San Bernardino
Fairfax	Rio Vista	San Gorgonio
Harmon	E. Neal Roberts	Sierra
Highland-Pacific	Roosevelt	Alternative Learning Center
Hillside	Thompson	Boys and Girls Club Academy
Hunt	Urbita	PAL Academy
Inghram	Vermont	San Andreas Community Day
Kendall	Warm Springs	STAR at Anderson Community
		Day
Kimbark	Wilson	YWCA Academy

NEW CLASSROOMS TO REDUCE OVERCROWDING

The District has the need to construct new elementary schools, middle schools and high schools in order to respond to the significant growth in student enrollment. These new classrooms and facilities will be built from a combination of local bond money and State matching funds. The number of new schools to be constructed will depend on the amount and timing of State monies.

Listed building, repair, and rehabilitation projects and upgrades will be completed as needed. Each project is planned to include its share of furniture, equipment, architectural, engineering, and similar planning costs, construction management, and a customary contingency for


unforeseen design and construction costs. Project costs for the construction of new schools and the upgrading and expansion of existing school facilities include site acquisition, site preparation, infrastructure and related improvements; construction or lease of temporary or permanent classrooms, administration, support and/or ancillary facilities; expansion and improvement of school parking and student drop-off areas; and prepayment of interim District financings for the upgrading, improvement and expansion to the existing school facilities and projects. The proposed new high schools are planned to be comprehensive high schools. The allocation of bond proceeds will be affected by the District's receipt of State bond funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond the District's control. Projects will be prioritized by the Board as bond and State monies become available. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed.

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.

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 ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES. BY LAW, ALL FUNDS CAN ONLY BE SPENT ON REPAIR AND IMPROVEMENT PROJECTS.

I, MARY BETH GOSNELL, Assistant Secretary of the Governing Board of the San Bernardino City Unified School District hereby certify that the foregoing is a true and correct copy of a resolution duly made, adopted, and entered in the Board minutes of the Governing Board of the San Bernardino City Unified School District on the 4th day of May 2004.

Dated: May 5, 2004


Assistant Secretary of the Board of Education
Agenda Item 10.41