SUBSTITUTE RESOLUTION 04/23/01

DATE: April 26, 2001

To: Board of Trustees

FROM: Dr. Philip R. Day, Jr., Chancellor

SUBJECT: GENERAL FUND
RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT ORDERING AN ELECTION TO AUTHORIZE UP TO $285,000,000 OF GENERAL OBLIGATION BONDS, AND ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER
(Resolution No. 010426-B1)

WHEREAS, the Board of Trustees (the “Board”) has determined that certain properties and facilities within the SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (the “City College”), City and County of San Francisco (the “County”), need to be constructed and improved and certain equipment purchased to enable the City College to enhance the educational opportunities of the students in the City College; and

WHEREAS, in the judgment of the Board, it is in the best interest of the City College to provide the funding for such needs by means of various sources including general obligation bonds; and

WHEREAS, voters of the State of California enacted Proposition 39 on November 7, 2000 (“Proposition 39”), which amends Section 1(b) of Article XIIIa of the California Constitution by adding a provision that exempts from the one percent of full cash value limitation, those ad valorem taxes used to pay for debt service of any school district or community college district bonded indebtedness 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, upon approval by 55% of the votes cast by voters voting on the proposition; and

WHEREAS, it is hereby acknowledged that under Proposition 39 the City College will project that the tax rate needed to pay debt service on any bonds that will be issued will not exceed $25 per $100,000 of assessed valuation of taxable property of the City College; and

WHEREAS, the Board has conducted an evaluation of safety, class size reduction, and information technology needs of the City College, and based on that evaluation has determined that the needed improvements (the “Improvements”) listed in Exhibit B hereto, and further described in the General Obligation Bond Project Report as further described below and which is hereby incorporated by reference, will improve safety, reduce class size and improve access to information technology; and

BOARD OF TRUSTEES
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DR. PHILIPS R. DAY, JR., CHANCELLOR
WHEREAS, under Proposition 39, the City College will be required to conduct an annual, independent performance audit to ensure that general obligation bond proceeds have been expended only on the Improvements and the City College will be required to conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all such proceeds have been expended; and

WHEREAS, under Proposition 39, the Board will be required to establish and appoint an independent citizens’ oversight committee within 60 days of the date that the Board enters the election results on its minutes, pursuant to Section 15274 of the Education Code, to inform the public concerning the expenditure of bond revenues; and

WHEREAS, it is advisable to order the City and County of San Francisco Director of Elections to call an election on the question of whether bonds shall be issued and sold for purposes set forth below.

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

Section 1. That the Board, pursuant to Section 15100 et seq. of the Education Code, has determined in its best judgment that an election is advisable and on that basis hereby orders the City and County of San Francisco Director of Elections (the “Director of Elections”) to call an election and submit to the voters of the City College the question of whether bonds of the City College in the aggregate principal amount not to exceed $285 million (the “Bonds”) shall be issued and sold for the purpose of raising money for the Improvements.

Section 2. That the date of the election shall be November 6, 2001.

Section 3. That the purpose of the election shall be for the voters in the City College to vote on a proposition, substantially in the form attached hereto as Exhibit “B” and incorporated by reference herein, containing the question of whether the City College shall issue the Bonds to pay for the Improvements to the extent permitted by such proposition; provided that such changes may be made as are requested or required by the Director of Elections and provided further that a ballot summary substantially in the form of Exhibit A attached hereto and incorporated by reference may be used as required.

Section 4. That the City College will project that the tax rate needed to pay debt service on any Bonds that will be issued shall not exceed $25 per $100,000 of assessed valuation of taxable property of the City College.

Section 5. That the Board certifies it has conducted an evaluation of safety, class size reduction, and information technology needs of the City College, and based on that evaluation has determined that the Improvements should improve safety, reduce class size and improve access to information technology.

Section 6. That the Board certifies it will conduct an annual, independent performance audit to ensure that the funds approved by the voters have been expended only on the Improvements approved herein and by the voters and will conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of the bond proceeds have been expended for such authorized school facilities projects.
Section 7. That the Board certifies it will establish and appoint an independent citizens’ oversight committee within 60 days of the date that the Board enters on its minutes the election results pursuant to Section 15274 of the Education Code, to inform the public concerning the expenditures of bond revenues.

Section 8. That any Bonds issued pursuant hereto shall have a maturity not exceeding twenty-five (25) years and bear interest at a rate not exceeding twelve percent (12%) per annum.

Section 9. That the authority for ordering the election is contained in Section 15100 et seq. of the Education Code.

Section 10. That the authority for the specifications of this election order is contained in Section 5322 of the Education Code.

Section 11. That this Resolution shall stand as the order to the Director of Elections to call an election within the boundaries of the City College on November 6, 2001.

Section 12. That the Secretary of the Board (the "Secretary") is hereby directed to send a certified copy of this Resolution to the Director of Elections to be received no later than August 10, 2001.

Section 13. That the Director of Elections is hereby requested to prepare a Formal Notice of School Bond Election (the “Notice”) containing the information specified in Section 15120 of the Education Code, in substantially the form attached hereto as Exhibit C.

Section 14. That pursuant to Sections 9316 and 9502 of the Elections Code, the Director of Elections is requested to publish the Notice once in a newspaper of general circulation published in the City College so as to provide a reasonable time in which to prepare and print the arguments, and to permit a 10-calendar-day public examination. The Board requests that a copy of that published Notice be delivered to the Secretary, pursuant to Section 12113 of the Elections Code.

Section 15. That pursuant to Sections 5302, 5303, 5320 and 5322 of the Education Code, the Director of Elections is hereby requested to take all steps to call and hold the election in accordance with law and these specifications.

Section 16. That the Board of Supervisors of the County is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 17. That pursuant to Section 5303 of the Education Code and Section 1002 of the Elections Code, the Board of Supervisors of the County is requested to permit the Director of Elections to render all services necessary, including those services specified in Sections 12112 and 12105 of the Elections Code relating to the election, such services to include the publication of a Formal Notice of School Bond Election (as described herein) 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 12112 of the Elections Code.

Section 18. 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.
Section 19. That Brown & Wood LLP is hereby retained to provide bond counsel services to the City College in connection with the election and with the issuance of the Bonds.

Section 20. That the members of the Board, the Chancellor, the Vice Chancellor for Finance and Administration and the other officers of the City College are hereby authorized and directed, individually and collectively, to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, to prepare and submit for inclusion in the voter information pamphlet a tax rate statement and an argument in favor of passage of the ballot proposition. All actions heretofore taken by the officers and agents of the City College that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Originator: Peter Goldstein, Vice Chancellor for Finance and Administration

PASSED AND ADOPTED this 26th day of April, 2001 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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President
Board of Trustees
San Francisco Community
College District