

F U L E D  
NOV 05 2019

RESOLUTION NO. 20-03

FRESNO COUNTY CLERK

By

DEPUTY

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

**WHEREAS**, the Board of Trustees (the “Board”) of the Merced Community College District (the “District”) has determined that certain educational facilities need to be constructed, renovated, acquired, and equipped, in a fiscally prudent manner, to enable the District to maintain Merced College as a valuable community resource that provides an affordable education to local students who desire to learn job skills, basic skills, lifelong learning, and transfer to four-year universities; and

**WHEREAS**, since the costs of attending California’s public universities has become so expensive, local families and students rely on Merced College and the high quality, affordable college option it provides as their only option for higher education; and

**WHEREAS**, in today’s competitive job environment, Merced College must continue providing important job training and education for local residents entering the workforce for new professions and increase opportunities for local students to earn college credits, certifications and job skills at an affordable tuition; and

**WHEREAS**, because of the changing economy, our classrooms and labs must be upgraded to provide students with up-to-date skills and modern technology that will allow for needed programs to keep our local economy strong; and

**WHEREAS**, Merced College needs to upgrade campus security to keep students, employees and community members safe by improving emergency communication systems and implementing other security best practices; and

**WHEREAS**, more than half of all Merced College buildings and instructional areas are more than 40-years old and need basic improvements such as removal of asbestos, mold, and lead paint, repair of leaky roofs and deteriorating restrooms, and plumbing, improvement of handicapped accessibility, update of the storm water system to prevent water pollution, replacement of outdated electrical and air-conditioning systems, upgrade wifi and broadband access, and upgrade of security and fire safety systems; and

**WHEREAS**, Merced College provides local students access to high quality, agricultural education and job training programs and must continue to invest in facilities for such programs; particularly in agricultural mechanics, water, technology, agribusiness, animal science, production, agriculture technology, horticulture, and other career technical education programs; and

**WHEREAS**, inasmuch Merced College serves many military veterans, many of whom have recently returned from combat, Merced College needs to upgrade and expand the veterans support facilities which provide job training, job placement and support services to military veterans and their families; and

**WHEREAS**, Merced College has a robust and thriving fine and performing arts program aimed at preparing students for careers in the arts and providing the community with local entertainment as a part of the educational programs; and

**WHEREAS**, Merced College serves a broad service area with a comprehensive and growing Los Banos Campus and additional offsite centers at various locations; and

**WHEREAS**, Merced College is considered a pillar of the community providing opportunities for community engagement, open access, and lifelong learning through various modalities; and

**WHEREAS**, the State does not provide the District with sufficient funding for the District to adequately maintain Merced 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 provide funds that cannot be taken away by the State to support local career technical education training and facilitate transfer to four-year universities; and

**WHEREAS**, a local measure will update Merced College facilities to prepare students for jobs in agriculture, business, technology, childhood education, nursing, paramedics, and firefighting, among others; 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 Board and the District have 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 for job training and workforce preparation for students and veterans of all ages and local residents and to improve facilities for course opportunities in technical vocational 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 performance audits, 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 to be used for 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.* of the Elections Code (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 Board now desires to authorize the filing of a tax rate statement and ballot argument in favor of the proposition 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 March 3, 2020, and to request each of the Merced County Registrar of Voters, the Fresno County Registrar of Voters, and the Madera 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 the Registrar of Voters of the Merced County, Fresno County and Madera County 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 MERCED 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 the Merced County Registrar of Voters, the Fresno County Registrar of Voters and the Madera 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 \$247,000,000 (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. The District’s Superintendent/President, or designee of the Superintendent/President is hereby authorized and directed to make any changes to the text of the measure, or to the abbreviated form of the measure, as may be convenient or necessary to comply with the intent of this Resolution, the requirements of election officials, and requirements of law.

**Section 2.** That the date of the election shall be March 3, 2020.

**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) that 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, safety, university transfer, enrollment trends, class size reduction and capacity ratios, class availability, information technology and the technical job training facilities 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 types of 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 all of 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 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; 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 Education Code Section 5322.

**Section 6.** That the Merced County Registrar of Voters, the Merced County Board of Supervisors, the Fresno County Registrar, the Fresno County Board of Supervisors, the Madera County Registrar of Voters, and the Madera County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on March 3, 2020 within the District, and pursuant to Elections Code Section 10403, the District acknowledges that the consolidation election will be held and conducted in the manner described in Election Code Section 10418.

**Section 7.** That this Resolution shall stand as the "order of election" to each of the Merced County, Fresno County and Madera County Registrars of Voters to call an election within the boundaries of the District on March 3, 2020.

**Section 8.** That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Merced County, Fresno County and Madera County Registrars of Voters no later than November 4, 2019.

**Section 9.** That the bonds shall be issued pursuant to Education Code Section 15300 *et seq.* or issued 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 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.

**Section 11.** Pursuant to Education Code Section 5303 and Elections Code Section 10002, the Merced, Fresno, Madera Counties Boards of Supervisors are requested to permit their respective Registrars of Voters to render all services specified by Elections Code Section 10418, for which services the District agrees to reimburse each of Merced County, Fresno County, and Madera County for 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 8<sup>th</sup> day of October, 2019.

BOARD OF TRUSTEES OF THE MERCED COMMUNITY  
COLLEGE DISTRICT

By \_\_\_\_\_  
Board President

Attest:

By \_\_\_\_\_  
Secretary

STATE OF CALIFORNIA  
MERCED COUNTY

I, Dr. Chris Vitelli, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-03 which was duly adopted by the Board of Trustees of the Merced Community College District at meeting thereof held on the 8<sup>th</sup> day of October 2019, and that it was so adopted by the following vote:

AYES: 6

NOES: 0

ABSENT: 1

ABSTENTIONS: 0

By \_\_\_\_\_ Secretary \_\_\_\_\_

EXHIBIT A

**MERCED COLLEGE REPAIR, SAFETY AND JOB TRAINING MEASURE.** “To upgrade job training/instructional classrooms, science/computer labs; improve student safety, emergency communication/security systems, shall Merced Community College District’s measure authorizing \$247,000,000 in bonds at legal rates, levying \$25 /\$100,000 assessed valuation (\$14,600,000 annually) while bonds are outstanding be approved, requiring audits/citizen oversight, no money for administrators’ salaries, all funds used locally to improve opportunities for veterans, remove asbestos/lead paint and acquire, construct, repair sites, facilities, equipment?”

Bonds - Yes

Bonds – No

EXHIBIT B  
FULL TEXT BALLOT PROPOSITION  
MERCED COMMUNITY COLLEGE DISTRICT REPAIR, STUDENT SAFETY AND JOB  
TRAINING MEASURE  
ELECTION MARCH 3, 2020

**MERCED COLLEGE REPAIR, SAFETY AND JOB TRAINING MEASURE.** “To upgrade job training/instructional classrooms, science/computer labs; improve student safety, emergency communication/security systems, shall Merced Community College District’s measure authorizing \$247,000,000 in bonds at legal rates, levying \$25 /\$100,000 assessed valuation (\$14,600,000 annually) while bonds are outstanding be approved, requiring audits/citizen oversight, no money for administrators’ salaries, all funds used locally to improve opportunities for veterans, remove asbestos/lead paint and acquire, construct, repair sites, facilities, equipment?”

Bonds - Yes

Bonds – No

**PROJECTS**

The Board of Trustees of the Merced College, to be responsive to the needs of its community, evaluated Merced College’s urgent and critical facility needs, and its capacity to provide students, underserved populations, and veterans with support and **job training** facilities, an **affordable education** and prepare them for success in local jobs. Job training facilities, safety issues, class size and offerings, and information and computer technology were each considered in developing the types of projects to be funded by this measure. The District also prepared a 2019 Merced College Facilities Master Plan, incorporated herein by reference. In developing the types of projects described herein, **basic repairs** (such as **removing asbestos** and mold, repairing deteriorating electrical and sewer lines, improving access for disabled students repairing decaying walls, drainage systems and leaking roofs), job training facilities, **student safety**, facilities supporting job training/vocational/agricultural classrooms, and the expansion of opportunities for local students to receive an **affordable, quality education**, were **prioritized**. If these facility needs are not addressed now, Merced College would be unable to remain competitive in preparing students for jobs in high demand industries and **transfer to four-year colleges and universities**.

The Board of Trustees determines that **Merced College MUST:**

- (i) **Remove asbestos, mold and lead paint;**
- (ii) **Improve student safety and access for students with disabilities;**
- (iii) **Repair deteriorating gas, electrical and sewer lines;**
- (iv) **Repair decaying walls, drainage systems and leaking roofs;**
- (v) **Modernize facilities to provide state-of-the-art classrooms and training programs;**
- (vi) **Better prepare students for transfer to four-year colleges and universities.**



The types of projects which are authorized to be undertaken at all Merced College campuses and education centers, include:

**PROVIDE LOCAL STUDENTS AN AFFORDABLE EDUCATION IN A SAFE ENVIRONMENT:**

**Basic Improvements Needed To Allow Merced College  
to Provide Job Training and Vocational  
Programs That Are Needed To Prepare Students For Good-Paying Local Jobs**

**Goals and Purposes:** More than half of all Merced Community College buildings and instructional and support services facilities are more than 40-years old and need basic improvements. Funds will be used to remove asbestos, mold and lead paint, repair leaky roofs and deteriorating restrooms and plumbing, improve handicapped accessibility, update the storm water system to prevent water pollution, replace outdated electrical and air-conditioning systems, and upgrade security and fire safety systems.

Merced Community College provides essential workforce preparation for students of all ages, local workers, and residents. The measure will upgrade classrooms, facilities, technology, and expand access to training programs for local nurses, firefighters, and paramedics as well as students looking to find better paying jobs in business, technology, early childhood education, and other high-demand careers.

Our local community college ensures that working families and students who cannot afford the high price of a four-year university will have an opportunity to succeed in college and prepare for good paying careers. This measure will provide a pathway to an affordable, high-quality education for all students.

- Remove asbestos, mold and lead paint from older buildings.
- Repair or replace leaky roofs, old heating systems, decaying walls and drainage systems.
- Improve access to college facilities for students with disabilities.
- Improve deteriorating gas, electrical, sewer and plumbing lines and systems.
- Improve sustainability and efficiency by implementing green/clean technology.
- Improve student safety, security systems, fire security and sprinklers, safety lighting, door locks, security cameras and emergency communication systems.
- Repair deteriorating classrooms.

## **PROVIDE JOB TRAINING AND COLLEGE TRANSFER:**

### **Classroom and Program Improvements To Help Local Students, First-Generation Populations, Underserved Populations, Veterans and Transfer to Four-Year Universities; Be Trained For Careers Including Agriculture, Nursing, and Firefighting**

**Goals and Purposes:** Merced Community College's high-quality and affordable education programs help students to transfer to four-year universities and allow high school students to get a jumpstart on earning college credits by taking college courses. This measure will ensure that our local community college continues to provide an affordable pathway to a college degree and high-paying jobs.

Merced Community College serves several hundred military veterans, many of whom have recently returned from combat. This measure will upgrade and expand facilities for veterans services and job training so returning veterans receive the academic and career counseling and support they need to complete their education and enter the civilian workforce. Further, Merced College serves a diverse student body population, many of which are underserved and economically disadvantaged, as well as first generation. This measure will also upgrade and expand facilities for special programs and services to support these populations.

Agriculture and farming are a way of life and critical to the Central Valley economy, and Merced College provides the education and workforce preparation needed to succeed in this industry. This measure will upgrade the equipment, technology, classrooms, and labs so that students have the opportunity to learn, train, and acquire the skills for agricultural mechanics, water technology, animal science, automotive technology, horticulture, manufacturing related programs, and other high-demand career technical education programs.

- Expand vocational training facilities/programs for all students with a focus on student equity and students with disabilities and other barriers to access and success.
- Upgrade science, computer and technology labs; construct new permanent buildings.
- Upgrade job training and vocational classrooms.
- Repair deteriorating classrooms and other related facilities.
- Upgrade agricultural classrooms, equipment, labs and career education programs.
- Expand partnerships with local schools to allow more high school students to take college level courses and earn college credits.
- Provide competitive 21<sup>st</sup> Century learning classrooms.

In addition to the listed types of projects stated above, the types of authorized projects of the measure also include the acquisition of a variety of instructional, maintenance and operational equipment, including interim funding incurred to advance fund projects and the refinancing of outstanding lease obligations, payment of the costs of preparation of all facility planning, fiscal reporting, 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: renovate student and staff

restrooms; replace aging electrical and plumbing systems; repair and replace heating, ventilation and air conditioning systems; acquire vehicles; upgrade of facilities for energy efficiencies including the installation of solar panels or arrays; repair and replace worn-out and leaky roofs, windows, walls, doors and drinking fountains; replace or remove outdated buildings and classrooms and construct new classrooms and support buildings; upgrade wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade facilities to meet current environmental sustainability, State compliance standards and earthquake safety; repair and replace fire alarms, emergency communications and security systems; upgrade, resurface, replacing or relocate hard courts, fields, turf and irrigation systems; replace turf on athletic fields; upgrade classrooms; build new or renovate existing facilities such as a science building, career and technical education building, child development center, student union and support services buildings, bookstore, parking structures; build new sports fields, gymnasiums and other athletic facilities; upgrade, resurface and recondition existing parking lots, roads and sidewalks; improve vehicular access and circulation; improve drop-off zones; repair, upgrade and install interior and exterior lighting systems; replace water lines and valves and sewer lines; construct, upgrade, acquire or expand, multi-use classrooms and labs, expand and improve outdoor learning spaces, swing space, student resources center, student library, outdoor classrooms/performance space, interdisciplinary community center, fine/theater and visual arts, music and performing arts facilities, field lights, bleachers, press box, track replacement, collaborative office suites and administrative offices, purchasing and maintenance facility, agricultural dorms, animal science barns, greenhouse, nursery, botanical garden laboratory and public safety facilities; improve water conservation and energy efficiency; acquire land; 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 to reflect better wayfinding, install electronic signage, bells and clocks; demolition of unsafe facilities; install or upgrade new security systems, such as security (surveillance) cameras, burglar alarms, handrails, outdoor lighting, safety bollards, fencing, landscaping, gates, gateways and classroom key cards/door locks; replace sewer lines and improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths and pathways and bridges for improved safety and access for emergency vehicles, site parking, utilities and grounds. The upgrading of technology infrastructure includes, but is not limited to, upgrading classroom technology, expanding wireless internet access throughout all Merced College campuses, acquire 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, DATA storage, fiber/copper infrastructure, phones, identity access cards and the construction and installation of a data center in the cloud for District's enterprise systems, such as resource planning, websites, domain name systems, cloud applications and information security.

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, a customary contingency, and costs associated with the Total Cost of Ownership of facilities and equipment. The allocation of bond proceeds may be affected by the final costs of each project. 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 or decisions 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 budgets of

projects or on the then current priorities of the District, certain of the projects described above may be delayed or may not be undertaken. 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. In addition to the listed types of projects stated above, the types of authorized projects of the measure also include the acquisition of a variety of instructional, maintenance and operational equipment. Necessary site preparation/restoration, including the acquisition and installation of temporary facilities (swing space) 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 types of projects and 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 Section 53410.

### **FISCAL ACCOUNTABILITY**

**This bond measure has strict accountability requirements including:**

1. All money will benefit Merced College campuses and CANNOT BE TAKEN BY THE STATE.
2. NO MONEY can be used for ADMINISTRATOR SALARIES or pensions.
3. Require TAXPAYER OVERSIGHT and yearly audits to ensure all funds are used locally, effectively and as promised.
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 college/school facilities, including the furnishing and equipping of college/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.

## Tax Rate Statement

An election will be held in the Merced Community College District (the "District") on March 3, 2020 to authorize the sale of \$247,000,000 in general obligation bonds. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of tax levies made on the taxable property in the District. These estimates are based on projections derived from information obtained from official sources and other demonstrable factors. 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 following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

- i. The best estimate of the average annual tax rate that would be required to fund this bond issue over the entire duration of bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is \$0.025 per \$100 (\$25.00 per \$100,000) of assessed valuation.
- ii. The best estimate of the final fiscal year in which the tax required to fund this bond issue is anticipated to be collected is fiscal year 2060-61.
- iii. 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 \$0.025 per \$100 (\$25.00 per \$100,000) of assessed valuation, which is projected to be the same in every fiscal year the bonds remain outstanding.
- iv. 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 \$617.3 million.

Based upon the forgoing and projections of the District's assessed valuation, 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 and other factors. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the assessment and the equalization process.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property in the District as shown on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Dated: November 1, 2019

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Chris Vitelli, Ed.D.  
Superintendent/President  
Merced Community College District