



Board of Trustees

Los Angeles Community College District

ACTION

Com. No. CH1

Division CHANCELLOR

Date April 23, 2008

Subject: ADOPT RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE HELD ON NOVEMBER 4, 2008

Adopt the attached Resolution calling for an election for the issuance of general obligation bonds.

Background:

The nine colleges have identified capital needs to fulfill their Education Master Plans totaling more than \$5 billion. The Board has previously conducted two significant study sessions to evaluate the status of the District's building program and recommended additional facilities work. The adoption of the attached Resolution will place on the ballot for the November 2008 election a request for voter approval for further capital funding in accordance with California Constitution Article 13A. If the Board adopts this resolution, the Board will have to adopt a Tax Rate Statement and Project List by August 8, 2008.

Approved by: *Marshall E. Drummond*
Marshall E. Drummond, Chancellor

Chancellor and Secretary to the Board of Trustees

By: _____ Date _____

Candaele _____	Reddock _____
Field _____	Santiago _____
Mercer _____	Scott-Hayes _____
Pearlman _____	Jackson _____
	Student Trustee Advisory Vote

**RESOLUTION CALLING FOR AN ELECTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION BONDS OF THE DISTRICT AT AN ELECTION TO BE
HELD NOVEMBER 4, 2008**

WHEREAS, the Board of Trustees (the "Board") of the Los Angeles Community College District (the "District"), within the County of Los Angeles, California (the "County"), is authorized to order elections within the District for the purpose of considering, *inter alia*, bond measures to meet the ongoing capital improvement needs of the District, pursuant to the Constitution of the State of California (the "State") and the Education Code of the State (the "Education Code"); and

WHEREAS, Section 18 of Article XVI and Section 1 of Article XIII A of the Constitution of the State and Section 15266 *et seq.* of the Education Code (collectively, "Prop 39") provide for a methodology by which the District may call for an election and, upon approval by 55% or more of the qualified voters voting on the bond measure, issue its general obligation bonds and cause the County to levy an *ad valorem* property tax to pay debt service on said bonds; and

WHEREAS, this Board has determined it to be in the best interests of the District to call such an election under Prop 39, as further described herein; and

WHEREAS, this Board has determined that the election to be conducted on November 4, 2008 (the "Election Date") meets the consolidation requirements of the Education Code and any County or local measure or election may be consolidated with the presidential election then pending; and

WHEREAS, the Board wishes to specify the manner in which the District shall call a bond election on the Election Date and to demonstrate compliance with related requirements of the Constitution, the Education Code and the Elections Code of the State;

NOW, THEREFORE, be it hereby resolved, determined and ordered by the Board of Trustees of the Los Angeles Community College District as follows:

Section 1. Recitals. All of the foregoing recitals are true.

Section 2. Determination to Proceed under Prop 39. The provisions of Prop 39 shall control the administration of the election to consider the bond proposition of the District (the "Bond Proposition"), such that a favorable vote of no less than 55% of the qualified voters voting at the election shall constitute approval thereof, and the Board of Trustees of the District (the "Board") hereby declares its intention to meet the pertinent requirements of Prop 39.

Section 3. Bond Proposition. This Board does hereby order and request that the Los Angeles County Registrar-Recorder (herein called the "Registrar") call an election (in the performance of her duties and in the exercise of her power, alone, or with the assistance of the Clerk of the County Board of Supervisors (the "County Clerk")) to consider the following proposition on November 4, 2008 (the "Bond Measure"), which constitutes the election order prescribed under California Education Code Section 15122 and Elections Code 13247:

“To prepare students for high-demand jobs and careers; provide technical education; improve and repair security/infrastructure conditions; expand educational opportunities in underserved communities; improve energy efficiency/conservation; acquire/improve real property to relieve overcrowding, at Pierce College, Valley College, East Los Angeles College, Harbor College, Los Angeles City College, Los Angeles Southwest College, Mission College, West Los Angeles College, and Los Angeles Trade Technical College; shall the Los Angeles Community College District issue _____ billion dollars in bonds at interest rates within legal limits, require citizens’ oversight, and conduct annual independent audits, without money for administrators’ salaries?”

The Registrar is hereby requested to reprint the foregoing Bond Measure in its entirety in the voter information pamphlet to be distributed to voters pursuant to Section 13307 of the Elections Code. Pursuant to Section 18, Article XVI and Section 1, Article XIII A of the Constitution of the State, the foregoing Bond Measure shall become effective upon the favorable vote of no less than 55% of those qualified voters voting on the proposition.

Section 4. Consolidation of Bond Election; Services of County. The Chancellor of the District is hereby authorized to contract with the Registrar, who is hereby requested and authorized to perform such duties as may be required by law, necessary or useful, or customary and appropriate in the conduct of said Bond Election, including the consolidation of the Bond Election with the general primary election within the territory of the District being conducted on the Election Date.

The precincts, polling places for said precincts in the County, and persons appointed and designated to serve as election officers for said Bond Election will be those determined, designated, and appointed pursuant to state law by the Registrar of Voters. The County is hereby requested to tally and canvass the returns of the election, in accordance with Section 10411 of the Elections Code. The District agrees to reimburse the County for all services related to the Bond Election, such services to include the publication of the Formal Notice and a Tax Rate Statement (described in Section 9401 of the Elections Code) pursuant to the terms of 5363 of the Education Code and Section 12112 of the Elections Code.

Section 5. Preparation of Project List; Accountability Safeguards. The Board hereby directs District staff to develop a list of certain capital projects which are a priority in order to meet the obligations of the District to provide education to the children of its residents. Once a list of these projects has been specifically identified, staff is direct to present the list to this Board for approval and, upon approval, such list shall be certified by this Board as the Project List (the “Project List”) for funding, either in whole or in part, with the proceeds of the Bonds. The Project List shall be evaluated by this Board and shall take into consideration safety, class size reduction and information technology needs.

Pursuant to Section 15278 *et seq.* of the Education Code, within 60 days following the certification by this Board of the official results of the Bond Election by the County, this Board is required to appoint a Citizens Oversight Committee (the “Committee”) to insure the District’s compliance with the foregoing restrictions and to perform the duties established under the Education Code for such committees. If and when the official results of the Bond Election are certified by this Board, demonstrating that more than 55% of the qualified voters at the Bond Election voted to approve the Bond Measure, then this Board shall hereby appoint the existing Citizens’ Oversight Committee for the District’s General Obligation Bonds without any further

action being necessary. To assist the Committee in its statutory obligations, the District shall cause to be conducted an annual independent performance audit and an annual independent financial audit on the expenditure of Bond proceeds; the audits shall be performed under contract with appropriate persons or firms as shall be subsequently brought for approval before this Board. The financial audit may be consolidated with the annual audit of the District's financial statement and may be performed by the same accounting firm, without further approval by this Board.

The results of the annual audits performed hereunder shall be reported to the Board and to the Committee at least annually, and more often, if the Board shall so direct.

Section 6. No Administrators' or Teachers' Salaries to Be Paid from Bond Proceeds. In accordance with Prop 39, the Board hereby confirms that no administrators' or teachers' salaries shall be paid or reimbursed, in whole or in part, from Bond proceeds, nor shall such proceeds be used to pay any other operating expenses of the District. Notwithstanding the foregoing, costs of administering the Bond Election and costs of issuance of the Bonds shall be lawful charges against Bond proceeds.

Section 7. Other Terms of the Bonds. Terms of each series of Bonds issued following the Bond Election shall be established at the time of sale thereof, based on then-prevailing market conditions. The Bonds shall bear or accrete interest at rates not to exceed the legal maximum, presently being 12% per annum, and shall mature and be paid at various dates no later than 40 years following their date of issuance. The Bonds may be sold at a premium or discount consistent with law and shall be sold pursuant to negotiated sale.

Section 8. Delivery of Order of Election. The Clerk of the Board is hereby directed to deliver, no later than August 8, 2008, which is a date no less than 88 days prior to the date of the Bond Election, one certified copy of this Resolution to the Registrar, together with the Tax Rate Statement to be prepared by the District's financial advisor or underwriter (to be appointed) and executed by the Chancellor of the District, and shall file a certified copy hereof with the Clerk of the Board of Supervisors of the County.

Section 9. Ballot Arguments. The members of the Board, or any one member or group thereof, are hereby authorized, but not directed, to file a formal Argument in Favor of the Bond Measure given above, with the Registrar within the time limits established for such arguments by the Registrar.

Section 10. Reimbursement of Qualified Project Expenditures. The Board presently intends and reasonably expects to have tax-exempt obligations (the "Obligations") issued on its behalf within 18 months of the date of the expenditure of moneys on the Projects to be outlined in the Project List or the date upon which a Project is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date the original expenditure of such moneys is paid), and to allocate an amount not to exceed 10% of the proceeds thereof to the reimbursable expenditures in connection with the Project, as may be qualified under the provisions of Section 1.150-2 of the Treasury Regulations of the Internal Revenue Service (the "Reimbursable Expenditures"). All of the Reimbursable Expenditures covered by this Resolution were paid not earlier than 60 days prior to the date of this Resolution. The Board intends to allocate within 30 days after the date of issue of the Obligations the proceeds therefrom to reimburse the District for

the Reimbursable Expenditures. With respect to the proceeds of the Obligations allocated to reimburse the District for prior expenditures, the Board hereby covenants not to employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issuer of tax-exempt obligations.

The above provision is made solely for the purpose of establishing compliance with the requirements of said Section 1.150-2 of the Treasury Regulations. This provision does not bind the District or the Board to make any expenditure, incur any indebtedness, or proceed with the financing, acquisition or construction of the Project.

Section 11. Ratification. All actions heretofore taken by the officers, or their respective designees, employees and agents of the Board and the District in connection with the financing of the facilities to be included in the Project List are hereby ratified and confirmed. The officers and their designees, the employees and agents of the Board and the District are hereby authorized to take any and all actions in connection with the financing of said facilities and as may be necessary and consistent with the purposes of this Resolution.

Section 12. Authorization of Further Acts. The members of this Board, the Chancellor, any assistant thereto, and all other staff or officers of the District are hereby authorized and directed, individually and collectively, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution.

Section 13. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

APPROVED by the Board of Trustees at a regularly scheduled meeting conducted at Los Angeles, California, on this 23rd day of April, 2008, by the following vote:

AYES: _____

NOES: : _____

ABSENT: _____

ABSTAIN: _____

By: _____
Secretary of the Board