

The Dixon Unified School District (DUSD) put Measure Q on the November 2016 ballot. DUSD had a choice. They could have had put on the ballot a general obligation bond measure requiring 66-2/3% favorable local vote or put a Proposition 39 general obligation bond measure which requires only a 55% favorable local vote but would have had to establish and appoint a Citizens Bond Oversight Committee.

They chose the latter and placed Measure Q on the November 2016 ballot.

The Dixon Unified in the proposed Project List that would be funded by Measure Q identified a great number of tasks in no particular order and expressly disclaimed that any particular ones will be built. The Proposed Resolution also included approximately \$4 mil to pay off the 2014 Certificates of Participation (COP) that were debts of the District's General Fund.

At the July 14, 2016 School Board meeting Ourania Riddle, on behalf of the Solano County Taxpayers Association (SCTA) told the District that they cannot use new funds derived from a Prop 39 bond to pay off old debts for prior facilities.

Proposition 39 requires that the new monies obtained by the 55% voter approval are only used for projects listed on the proposed Project List presented to voters.

Paying off existing debt on a prior project is not a proper project to be listed on the Project List. SCTA told the District to remove the repayment of the COP from the Prop. 39 bond because such a repayment requires 2/3 voter approval and we (SCTA) would be challenging in court such repayment if the bond was approved by only the fifty five percent (55%).

The District after several meetings with their attorneys decided to remove the repayment of the COPs from the ballot. Measure Q was approved by the voters at the Nov. 2016 election by sixty percent (60%).

Below is the letter that was read by SCTA member Ourania Riddle at the July 14, 2016 School Board meeting.



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July 14, 2016

Dixon Unified School Board members:

District's proposed Project List is not legally sufficient to qualify for the 55% passage rate of Proposition 39. District's Project List does not sufficiently specifically define what projects are going to be built. Instead, the proposed Project List identifies a great number of tasks in no particular order and expressly disclaims that any particular ones will be built. This language impermissibly gives School Board unlimited discretion to pick and choose what projects will be built where and when. This language allows the District to choose pet projects instead of needed projects.

Such an unspecific project list is not permitted under proposition 39.

To be legally sufficient to qualify for 55% passage District must have prioritized list of specific projects by campus with estimated budget for each and promise to build in prioritized order until funds per campus are exhausted. Without this level of specificity the proposed Citizens Bond Oversight Committee does not have any baseline against which to measure and advise whether the District is meeting its obligations to the voters and taxpayers.

Worse yet, District's proposed Project List improperly proposes to use funds derived from this 55% Proposition 39 bond to pay off 2014 Certificates of Participation that are currently debts of the District's General Fund. Under Proposition 39 and its enabling legislation District cannot use new funds derived from the proposed bond to pay off old debts for prior facilities. Proposition 39 requires that the new monies obtained thereunder are used for future improvements and/or new consideration given to the District. Proposition 39 requires that the new monies obtained thereunder are only used for projects listed on the proposed Project List presented to voters. Paying off existing debt on a prior project is not a proper project to be listed on the Project List.

Further, District's proposed use of new bond funds to pay off prior bond debt violates the California constitutional and statutory debt duration limitations by stringing debt terms together in a serial fashion to create a debt period that lasts longer than the applicable debt duration limitation.

Alternatively, District's 2014 Certificates of Participation are not really being paid off. Instead the funds from the new bond will be set aside to make the payments on the prior 2014 Certificates of Participation as they come due in order to relieve the District's General Fund of this obligation. Proposition 39 bonds are not permitted to be bailouts for General Fund debts. Worse if the District does not immediately pay off the 2014 Certificates of Participation it will be paying money toward the interest accruing on that debt as well as paying money toward the interest accruing on the new bond debt. This will result in an increase of overall interest paid rather than a decrease as is being promised.

Read at the School Board meeting by Ourania Riddle on behalf of
George Guynn, President