

5/24/16 AGENDA, ITEM 1b - WRITTEN COMMUNICATION  
SUPPLEMENTAL LETTER AND ATTACHMENT FROM HOWARD LONGACRE SUBMITTED TO  
THE CITY CLERK'S OFFICE ON 5/22/16 AT 1:59 AM

**From:** [HBresident@roadrunner.com](mailto:HBresident@roadrunner.com) [mailto:HBresident@roadrunner.com]  
**Sent:** Sunday, May 22, 2016 1:59 AM  
**To:** [HBresident@roadrunner.com](mailto:HBresident@roadrunner.com)  
**Subject:** ADDEMDUM: More HB School District Deceit/Sloppiness/Incompetence re: Measure-S

**ADDENDUM: Sunday AM, May 22, 2016**

Many ask, "why I keep referring to the amount of \$127 Million (that's over \$1/8th Billion) as to be assessed Hermosa Beach property taxpayers and indirectly renters too (if Measure S passes with 55% of the vote) , I.e., as totaling over \$1/8th Billion, when the bonds are clearly stated as totaling \$59 Million?"

Good question to ask, and it indicates that many have little understanding of this significant additional tax amount. The answer comes directly from the School District Superintendent's official statement, which is right in every voter's "Official Sample Ballot", see attachment copy of same to this email.

See;

**"TAX RATE STATEMENT - MEASURE S"** (in the attached "OFFICIAL SAMPLE BALLOT" copy of the "Measure S" text, wherein Superintendent Pat Escalante states;

.....

**"4. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$127 million."**

.....

\$127 million is in fact over \$1/8th-Billion that will be assessed to Hermosa Beach property taxpayers and indirectly to renters too, with again, no specification of what actually will be accomplished with the money other than that much of it will go to bond salespeople and companies, lawyers, accountants, architects, consultants, contractors, material suppliers, laborers, and others, probably few if any of whom live in Hermosa Beach. Also much of the money will in fact go to School District staff, notwithstanding the flat lies and distortions that all the money stays in Hermosa Beach and no money for District salaries, it states so right in the Measure S text. Read the attached document, i.e. the material in your "Official Sample Ballot". You don't need to be a rocket scientist to see through the hype and distortions being pandered about.

As previously sent:  
Saturday AM, May 21, 2016

Re: More HB School District Deceit/Sloppiness/Incompetence re: Measure-S

I have a rather lengthy "Written Communication" on the Hermosa City Council's 7 PM Tuesday, May 24, 2016 meeting agenda.

**It is RE: Comments, suggestions, concerns directed to the Hermosa Beach City Council and School Board regarding the June 7, 2016 "Hermosa Beach School District's bond Measure-S" election, and complaint regarding use of taxpayer money to hold two upcoming meetings in the Hermosa Beach City Council Chambers, with such meetings having a clear appearance as being little more than campaign electioneering meetings to hype "Yes on Measure-S" and at taxpayer expense.**

However more has come to light since that submittal.

You may read my communication at the following link. (Be patient, as the link may take a few seconds or a minute to load depending on your Internet speed, and also given the city website's Granicus often very slow server speed.)

Written Communication link:

["http://hermosabeach.legistar.com/gateway.aspx?M=F&ID=f6869129-2189-45b0-a6d1-67bc49642663.pdf"](http://hermosabeach.legistar.com/gateway.aspx?M=F&ID=f6869129-2189-45b0-a6d1-67bc49642663.pdf)

Note: If the above link does not work, start with the following city link and drill down to the May 24 Council meeting and go to Item 1 of the 7 PM agenda portion in same. ["http://www.hermosabch.org/index.aspx?page=358"](http://www.hermosabch.org/index.aspx?page=358)

Additionally: Several weeks ago I reviewed the School District's website to view what they had posted regarding the very faulty "Measure-S" \$1/8-Billion tax on Hermosa Beach property owners and renters. After drilling down to the Measure-S page I had to look through a litany of propaganda and hype regarding Measure-S before I could even find the legal text of Measure-S, the only thing that really matters, i.e., the relatively brief 2-1/2 page text of Measure-S.

Then I was very surprised to note that there was only an "Argument in Favor" of Measure-S; but that no one had evidently submitted an "Argument Against" and no rebuttal arguments had evidently been submitted.

I never dreamed that the School District would stoop so low as to only place those legal ballot documents on their website for their own Measure-S which they felt like placing there, and deny the voters visiting the page, which by the way all their hype tells you to visit, to see all the information on Measure-S. I thus stupidly assumed that no "Argument Against" the measure had been submitted and also that the two usual Pro and Con rebuttal arguments were also never submitted.

Meanwhile it was not until yesterday, Friday, May 20 that the post office finally delivered from the County Registrar, my "Official Sample Ballot". Inside that I see not only the text of the Measure-S plus other official required items regarding this \$1/8-Billion dollar tax measure

including three legal arguments not on the School District website..

That these other brief documents are not all prominently displayed on the School District's website (given it's the school district's own Measure-S) is indicative of the filthy, rotten, state of affairs, not to mention the utterly sloppy supervision by the School Board of their overpaid Superintendent, that important of these documents are missing from the Measure S page on their own District website, obviously to deceive the voters visiting the page. I have attached to this email a PDF of the actual 9 pages of the Measure-S documents from the "Official Ballot Measure" which include;

- 1 - FULL TEXT OF BALLOT MEASURE S
- 2- IMPARTIAL ANALYSIS OF MEASURE S  
By Mary C. Wickham, County Counsel
- 3- ARGUMENT IN FAVOR OF MEASURE S
- 4- REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE S
- 5- ARGUMENT AGAINST MEASURE S
- 6- REBUTTAL TO ARGUMENT AGAINST MEASURE S
- 7- TAX RATE STATEMENT - MEASURE S

All 7 of the above official documents should be displayed first and foremost above the Board's propaganda Q&A, not after at the tail end.

Again see the 9 pages of the above from the "Official Sample Ballot" attached to this email as a small PDF file.

Again also review my rather lengthy but important complaint to the HB School Board and the HB City Council as posted on the agenda for the 7 PM Tuesday, May 24 Regular Hermosa Beach City Council Meeting.

Again my Written Communication is presently at this city link:

["http://hermosabeach.legistar.com/gateway.aspx?M=F&ID=f6869129-2189-45b0-a6d1-67bc49642663.pdf"](http://hermosabeach.legistar.com/gateway.aspx?M=F&ID=f6869129-2189-45b0-a6d1-67bc49642663.pdf)

Do Vote "No" on Measure-S, the latest unbelievably defective School District's Measure-S, and especially to indicate that you do not appreciate the unbelievable deceit that the School District has used this go around. It's really sad the example they are setting, believing they are doing so much good for the children.

And also the individual(s) that indicated that the legal "Argument Against" Measure-S and the two Rebuttals were not to be included on the School District website should be fired! To believe that such individual(s) are going to be managing \$1/8-Billion in property tax receipts taken from property owners, and indirectly from renters too, leaves many questions unanswered. Unfortunately, incompetence and deceit continues to rule the day in the Hermosa Beach School District.

## **FULL TEXT OF BALLOT MEASURE S**

The following is the full proposition presented to the voters by the Hermosa Beach City School District.

“To reduce student overcrowding and make safety, security, and health improvements; construct, renovate, modernize and equip classrooms and facilities at North, Valley and View Schools; replace or repair roofs; provide technology improvements for students; and upgrade or replace outdated electrical, plumbing, heating and air conditioning systems, shall Hermosa Beach City School District issue \$59,000,000 of bonds at legal interest rates, and have an independent citizens’ oversight committee with no money for administrative salaries or taken by the state?”

### **PROJECT LIST FOR THE BOND MEASURE**

The following are the types of projects that may be financed with proceeds of the bonds at the Valley School, the View School and the North School sites:

**Renovate and Modernize Existing Classrooms and Buildings**, including roofs, walls, windows, doors and hardware, floors, ceilings, access improvements for disabled students and individuals and updated technology, furnishings and equipment to meet curriculum needs.

**Renovate, Modernize and Construct Safety and Security Improvements**, including fire safety systems, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, and fencing.

**Renovate, Modernize and Construct Basic Infrastructure and Utilities**, including roofs, site and building plumbing, sewer, gas, electrical, water, storm drainage, heating, ventilation and air conditioning systems, energy efficiency and water conservation improvements.

**Construct, Renovate and Modernize Specialty Classrooms** for technology, computers, science, library, art and performing arts, including the acquisition and installation of furnishings and equipment for such uses.

**Construct New Classrooms**, including removing portable classrooms and constructing, furnishing and equipping permanent classrooms.

**Construct or Modernize Multipurpose, Administration and Support Facilities**, including space for school and District administration, maintenance and operations and performing arts uses, student and faculty restrooms and access improvements for disabled students and individuals.

**(Continued on next page)**

## **FULL TEXT OF BALLOT MEASURE S (Continued)**

**Renovate, Modernize and Construct Landscape and Hardscape Improvements,** including playgrounds and equipment, turf, plantings, irrigation systems, fencing and parking and transportation improvements, including onsite parking, which in the case of the North School may include underground parking.

**Renovate, Modernize and Construct Food Service Improvements,** including kitchen facilities and equipment and shelters for students to eat lunch.

In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

Each project financed will include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that are financed by the District on an interim basis through temporary loans, leases, lease-leaseback, or lease-purchase arrangements. Projects may also include the costs of demolition and reconstruction of existing facilities currently scheduled for modernization, if the Board of Education determines that such an approach would be a more cost effective solution.

The District is eligible to receive State matching funds and intends to aggressively pursue State funding. In the absence of such funding, improvements at each school may be affected and the District may not be able to perform some of the projects listed above.

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 will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be undertaken.

Bond proceeds shall be expended only for the specific purposes identified herein. 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 the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

**(Continued on next page)**

## FULL TEXT OF BALLOT MEASURE S (Continued)

Fiscal Accountability: In accordance with Education Code § 15272, the Board of Education will establish a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above and for no other purpose. 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 shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not 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 construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose. No funds will be used toward teacher or administrator salaries or other operating expenses.

## **IMPARTIAL ANALYSIS OF MEASURE S**

**By Mary C. Wickham, County Counsel**

Approval of Measure S would authorize the Board of Education (“Board”) of the Hermosa Beach Unified School District (“District”), who placed this Measure on the ballot by Resolution No. 04:15/16 to issue general obligation bonds, in an amount not to exceed \$59,000,000.

Funds received from the sale of the bonds shall be used for North, Valley and View Schools for the specific purposes set forth in the Measure. Examples of authorized projects, include, but are not limited to: renovating and modernizing existing classrooms and buildings, including roofs, walls, windows, ceilings, and floors; disabled access improvements; updated technology, furnishings and equipment to meet curriculum needs; renovating and modernizing safety and security improvements, including fire safety systems, security systems, lighting, fencing, and emergency communication systems; renovating and modernizing basic infrastructure and utilities, including roofs, plumbing, sewer, gas, electrical, water, drainage, heating, ventilation and air conditioning systems, energy efficiency and water conservation improvements; renovating and constructing specialty classrooms for technology, computers, science, library, art, and performing arts; constructing new classrooms as well as multipurpose, administration, and support facilities; renovating, modernizing and constructing landscape and hardscape improvements, including playgrounds, equipment, and turf; planting, irrigation systems, fencing, and parking and transportation improvements; and renovating, modernizing, and constructing kitchen facilities and equipment, and student lunch shelters. No funds may be used for teacher or administrator salaries or other school operating expenses.

The Board shall cause independent performance and financial audits to be performed annually to ensure that bond proceeds have been expended only for the projects on the Project List. The Board shall appoint an Independent 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 District shall create an account into which bond proceeds shall be deposited and comply with the reporting requirements of Government Code section 53410.

The maximum rate of interest on any bond shall not exceed the maximum statutory rate. Any new bonds issued pursuant to the Education Code shall have a maturity not exceeding twenty-five (25) years, and any bonds issued pursuant to the Government Code shall have a maturity not exceeding forty (40) years. According to the District’s Tax Rate Statement, the best estimate of the highest tax rate required to fund the bonds, based on the assessed valuations available at the time of the District filing its Tax Rate Statement on the Measure, is \$29.50 per \$100,000 of assessed valuation in fiscal year 2016-17.

This Measure requires a fifty-five percent (55%) vote for passage.

## **ARGUMENT IN FAVOR OF MEASURE S**

Everyone knows the importance and value of having quality schools. From higher achieving students, to increased home values and greater neighborhood safety, quality schools make a difference.

In 2002, Hermosa Beach City School District voters overwhelmingly passed a school improvement measure to upgrade our community's schools. Since that time, improvements have been made to repair and rehab local children's aging classrooms and schools. But our work is not done. Many classrooms and buildings in the Hermosa Beach City School District are overcrowded, outdated, and inadequate to provide children with the school facilities they need to succeed.

Our children need your **YES vote on Measure S!** Severely overcrowded classrooms have required that some children attend class in converted multi-purpose rooms. In addition to overcrowding, Hermosa Beach schools are old with an average age of over 70 years. North School, our oldest, was first built in 1924! If approved, Measure S would finish the work we started, reduce student overcrowding, and bring the rest of our schools up to 21st century standards.

### **If passed, Measure S will:**

- Rebuild North School to reduce student overcrowding
- Repair/replace aging roofs
- Upgrade inadequate electrical systems
- Renovate deteriorating plumbing and sewer systems
- Improve student access to modern technology

### **Measure S makes financial sense and protects taxpayers.**

- By law, spending must be reviewed and annually audited by an independent citizens' oversight committee.
- All bond funds must be spent locally and **cannot be taken by the State.**
- Funds are required to be spent only on Hermosa schools, not for administrator or teacher salaries.

Measure S reduces student overcrowding, renovates old schools, and maintains the quality of our community. That's something we can all support. Please join us and **VOTE YES ON MEASURE S!**

MARY CAMPBELL  
HBCSD Board of Trustees, President

STACEY ARMATO  
District Parent/City Councilmember

TRACY ROBINSON  
Hermosa Beach Educators Association President

GEORGE J. SCHMELTZER  
Senior/Community Leader

DUNHAM STEWART  
Realtor, President Hermosa Beach Little League

## **REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE S**

**We are here to support our children's education and sound financial future.**

This bond is a narrow minded vision, exceeds District needs, has no identified plan, and costs keep changing. All available solutions were NOT examined by the School Board. The mandate focused on one expensive option: tear down and re-build North School for 450-500 students.

The District owes Hermosa Beach taxpayers a transparent report of all options pros and cons before we commit to a \$59,000,000 bond.

Measure J was previously approved for \$13,600,000 for classrooms which residents are still paying off.

- Repairs, upgrades and renovations to current schools were done.
- New classrooms were irresponsibly sacrificed for an \$11,000,000 gymnasium.

Measure S is financially irresponsible. It:

- Increases taxes and rents.
- Forces residents into the highest Debt limit possible, largest tax ever proposed.
- Debilitates future borrowing capability for 30 years.
- Burdens residents with payback of potentially \$98,000,000.
- Does not evaluate renovating existing lower cost options.
- Destroys a preschool and a historically significant building.
- Contradicts School Board estimates for future flat enrollment. Therefore why build a new school with 17 classrooms?

What's needed:

- Evaluation of all existing stand alone options with a cost benefit analysis.
- Traffic study measuring daily gridlock of 500 students dropped/picked-up at the same time on narrow north-end residential streets. Street parking will be eliminated.

**Measure-S unnecessarily burdens taxpayers and future generations.** There is a better solution.

<http://www.restorehermosaschools.com/>

### **VOTE NO ON MEASURE S**

BLAIR S. SMITH  
Hermosa Homeowner

CASSANDRA BATES  
Hermosa Resident

JAMES HAUSLE  
Former Oversight Committee Member

MARCUS B. SUCRO  
Hermosa Homeowner

LYNNE POPE  
Hermosa Homeowner

## **ARGUMENT AGAINST MEASURE S**

**VOTE NO ON THIS BOND.** It does not examine all district options to create the best plan for our students and community. An investigation of less expensive options, like reprising existing property, has to be done. Hermosa Beach residents and parents deserve a proper cost/benefit analysis of **less expensive and logistically sound options** before committing to this bond.

This \$59,000,000 bond commits over 85% of the school district's bond borrowing capacity for 30 years **without an identified plan**. The costs that every homeowner and renter will be responsible to repay could be up to \$90,000,000 with interest. Previous bonds without well-defined plans have significantly contributed to the current classroom shortage.

The language of the bond tells us nothing, it is vague and anything can happen once it is passed.

There has been a **constant stream of misinformation** presented to the public. The Facilities and Planning Advisory Committee, FPAC, was tasked to consider only one option, North School, although others exist.

The School District must do a comprehensive traffic study of 100's of car trips a day at rush hour times on major arteries and surrounding narrow streets.

North School is a historically significant building and aligns with the concept to **KEEP HERMOSA'S HISTORY**. The current North School tenants fill a critical need for many community parents, 80% of whom are Hermosa residents. They will be evicted to make room for the district's plan to build a new school for 300 plus elementary school children.

Costs are too high and do not allow any margin of error for unanticipated additional costs. The District needs to do its homework and a thorough investigation to find a more cost effective solution.

### **VOTE NO ON THIS BOND**

BLAIR SMITH  
Hermosa Homeowner

CASSANDRA BATES  
Hermosa Resident

JAMES HAUSLE  
Former Oversight Committee Member

MARCUS B. SUCRO  
Hermosa Homeowner

LYNNE POPE  
Hermosa Homeowner

## **REBUTTAL TO ARGUMENT AGAINST MEASURE S**

Quality schools are key to providing an excellent education, preserving property values, and maintaining our great community.

Don't be misled by arguments against Measure S.

Consider the facts:

**FACT:** The District has completed an **exhaustive process** and has a **comprehensive plan**. The District studied the issue of overcrowding and aging facilities for more than four years, held approximately 70 public meetings, and hired an educational architect who prepared a 118-page Long Range Facilities Master Plan (available at the District Office and website).

**FACT:** District schools **are severely overcrowded**. 60 years ago the District educated over 1,400 students at SIX school sites. Today, it educates over 1,400 students but at **ONLY TWO** school sites.

**FACT:** The District **owns only one site, North School**, to reopen to house extra students. A committee of Hermosa Beach residents studied this option and unanimously recommended the use of North School to address overcrowding and preserve Valley Park.

**FACT:** **Strict taxpayer safeguards** are in place. By law, spending must be reviewed and annually audited by an independent citizens' oversight committee.

**FACT:** Measure S keeps our tax dollars out of Sacramento and in Hermosa Beach.

Measure S is a carefully considered program that will improve the quality of education for Hermosa Beach children. Some of our most respected community members support Measure S, including Erin Condren, Peter Hoffman, Jenny Fix, Lori Ford, Mike Collins & Chris Brown.

Join us and Vote YES on Measure S!

**MARY CAMPBELL**  
HBCSD Board of Trustees, President

**STACEY ARMATO**  
District Parent/City Councilmember

**TRACY ROBINSON**  
President, Hermosa Beach Educators Association

**GEORGE J. SCHMELTZER**  
Senior Resident/Community Leader

**DUNHAM STEWART**  
Realtor; President-Hermosa Beach Little League

## **TAX RATE STATEMENT - MEASURE S**

An election will be held in the Hermosa Beach City School District (the "District") on June 7, 2016, to authorize the sale of up to \$59 million in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on a projection of assessed valuations available at the time of filing of this statement, is 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2016-17.

2. The best estimate of the tax rate that would be required to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on a projection of assessed valuations available at the time of filing of this statement, is 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2021-22.

3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement, is 2.95 cents per \$100 (\$29.50 per \$100,000) of assessed valuation in fiscal year 2016-17.

4. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$127 million.

These projections of assessed valuations and tax rates are based on the experience and historical data within the District and are derived from information obtained from official sources. 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 assessed valuation in each year. 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. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: February 25, 2016

**PATRICIA W. ESCALANTE**  
Superintendent  
Hermosa Beach City School District