



April 4, 2016

The Honorable Jim Gallagher
California State Assembly
State Capitol
Sacramento, CA 94249-0023

Re: AB 2116 - SUPPORT

Dear Assemblyman Gallagher:

The Salinas Taxpayers Association provides a forum for debate & analysis of taxes, fees and assessments impacting businesses & residents in Salinas. We support your Assembly Bill 2116, which gives citizens' bond oversight committees greater authority to protect taxpayers.

Of particular interest to the Salinas Taxpayers Association is the provision in AB 2116 that requires a school board to obtain reasonable and informed projections of assessed property valuations from an independent third party not associated with the bond measure before placing a bond measure on a ballot. Our representatives saw a 2015 presentation by a bond advisor to the Salinas Union High School District board that projected a 2% increase in assessed property valuation in 2015-2016, a 3% increase in 2016-2017, and a 4% increase forever afterwards. It was absurd.

Our representatives on local school and college district citizens' bond oversight committees have been concerned about borrowing practices advised by bond advisors. Most outrageous has been the Hartnell Community College District, which sold a series of foolhardy capital appreciation bonds in 2009. The district issued \$46 million in bonds and thereby acquired debt service of \$452 million. Assembly Bill 2116 would help citizens' bond oversight committees to make school districts more accountable for these abuses.

Sincerely,

A handwritten signature in cursive script that reads "Raymond E. DeLoe".

Ray DeLoe
President