

GROSSMONT UNION HIGH SCHOOL DISTRICT

Resolution No. (2016-03)

**RESOLUTION TO AUTHORIZE AN INCREASE FOR LEGAL FEES TO APPEAL
THE DECISION TO GRANT A PRELIMINARY INJUNCTION IN THE CASE OF THE
ALPINE UNION SCHOOL DISTRICT
& ALPINE TAXPAYERS FOR BOND ACCOUNTABILITY
V. THE GROSSMONT UNION HIGH SCHOOL DISTRICT, ET AL (S.D. SUPERIOR
COURT CASE #37-2014-003480-CU-MC-CTL) AND ENCUMBER ADDITIONAL
FUNDS TO DEFEND THE DISTRICT IN THE LAWSUIT**

ON MOTION of Member _____, seconded by **Member _____**,
the following resolution is adopted:

WHEREAS, on January 22, 2015, the San Diego County Superior Court issued a preliminary injunction ordering the Grossmont Union High School District (GUHSD) to set aside \$14 million of bond and state matching funds immediately and an additional \$28 million by January, 2016, toward the construction of a high school in the case of the Alpine Union School District (AUSD) & Alpine Taxpayers for Bond Accountability (ATBA) v. the GUHSD, et al; and

WHEREAS, this ruling interferes with the legislative authority of this publicly elected Board to make appropriate decisions regarding the priorities and direction of the Bond Program; and

WHEREAS, The Alpine Union School District initiated this lawsuit and incurred legal expenses without any evidence of appropriate board authorization; and

WHEREAS, The Alpine Union School District's misguided effort is causing the GUHSD to withhold Bond funds from projects that benefit the students living in Alpine and throughout all of East County and has no benefit to the students, teachers and taxpayers of the Alpine Union School District; and

WHEREAS, the impact of the preliminary injunction plus additional legal actions of the Alpine Union School District is continuing to cause significant and increasing negative consequences for current and future GUHSD Bond projects, including the ability to commence construction on classroom improvements and other projects; and

WHEREAS, on January 22, 2015, in Closed Session the GUHSD Governing Board authorized the law firm of Orrick Herrington & Sutcliffe, LLC to proceed with the filing of an appeal to the preliminary injunction in the above entitled case, with an anticipated budget of \$250,000; and

WHEREAS, on February 12, 2015, the GUHSD Governing Board adopted Resolution (2015-19) to Appeal the Court's decision to grant a preliminary injunction in the above entitled case; and

WHEREAS, the GUHSD Governing Board is committed to fully inform the public of all expenditures related to the lawsuit and appeal in the above entitled case; and

WHEREAS, the Alpine Union School District does not share the commitment to remain open and transparent in their expenditures, as evidenced by their continued unwillingness to disclose legal expenses accrued since February, 2015, related to the misguided lawsuit; and

WHEREAS, due to the continued unwarranted legal action by the AUSD & ATBA, it is necessary to increase the funds dedicated towards the appeal of the preliminary injunction from \$250,000 to \$300,000; and

WHEREAS, due to the continued unwarranted legal action by the AUSD & ATBA, it is necessary to increase the funds dedicated toward the ongoing preparation for the impending trial to defend the District et al in the lawsuit by encumbering an additional \$700,000; and

WHEREAS, the injunction requires the District to indefinitely set aside \$42 million in bond funds that were intended to be used to provide new and renovated learning facilities for East County students and provide an economic stimulus to the East County; and

WHEREAS, the injunction requires \$42 million in bond program funds to remain idle for an indefinite period of time resulting in taxpayers accruing a liability of approximately \$2.6 million per year in interest cost without providing any benefit whatsoever to the 21,000 students served by GUHSD facilities; and

WHEREAS, the impact of the preliminary injunction will have serious negative consequences for current and future GUHSD Bond projects, including the ability to commence construction on classroom improvements and other projects including:

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| • Grossmont High School: | Multi-Purpose Events Center |
| • Helix Charter High School: | Classrooms in Buildings 1100/1200 & 1300/1400; Fire Lane; Admin & Student Support Spaces; Gym Modernization |
| • Mt. Miguel High School: | Classroom Modernization; Multi-Purpose Space |
| • Granite Hills High School: | Classrooms in Building 30/80 |
| • West Hills High School: | HVAC System; Special Education Restroom and Care Facility Upgrade |
| • Granite Hills, Valhalla, El Capitan & Mt. Miguel | Security System & Camera Upgrade |

WHEREAS, even though the actions of AUSD & ATBA have forced the GUHSD to deposit \$42 million with the County rather than those funds benefitting students in the GUHSD, they have initiated additional legal actions causing significant projects that were appropriately authorized to be halted after a complete timeline had been developed and approved. This action has not only caused significant delays, but will inevitably increase the cost of those projects, wasting an estimated additional \$1- \$2 million of taxpayer funds. This latest action by AUSD has also created significant difficulty for GUHSD teachers and other staff members who have vacated their classrooms and work spaces in good faith. These projects are:

- **Valhalla High School:** Remodel of the entire Main Building
- **Monte Vista High School:** Renovation of Buildings 700, 800 & 800a
Housing Career Technical Education (CTE) and
General Education classrooms

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Grossmont Union High School District is directing that the District's Legal Counsel continue to appeal the Superior Court decision to grant a preliminary injunction in the above entitled case, and authorize an additional expense of up to \$50,000 for the appeal;

AND THEREFORE BE IT FURTHER RESOLVED, that the Board of Trustees of the Grossmont Union High School District shall continue to fight this injunction with every legal remedy available to ensure that the Bond proceeds and interest costs levied against taxpayers benefit the **21,576 current** and **all future GUHSD students** by providing the safest and most modern facilities possible, and therefore approve an additional encumbrance of \$700,000 for said defense.

PASSED AND ADOPTED by the Governing Board of the Grossmont Union High School District at El Cajon, California, on this 9th day of July, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

I, Jim Kelly, Clerk of the Governing Board of the Grossmont Union High School District of El Cajon, California, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by said Board at a regular meeting thereof at the time and place of vote stated, which resolution is on file and of record in the office of said Board.

July 9, 2015
Date

Clerk of the Board