

RESOLUTION NO. 2024-94

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA ORDERING A GENERAL OBLIGATION BOND ELECTION, ESTABLISHING SPECIFICATIONS, REQUESTING CONSOLIDATION WITH OTHER ELECTIONS OCCURRING ON NOVEMBER 5, 2024, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH

RESOLVED, by the City Council (the “Council”) of the City Marina (the “City”), within Monterey County, California (the “County”), as follows:

WHEREAS, the City’s population has more than doubled since the City was incorporated in 1975, but still relies on the same aging and deteriorating fire stations, police station, and city facilities that were built for a much smaller population;

WHEREAS, more than 80 percent of all 9-1-1 calls to the Marina Fire Department are medical emergencies, such as heart attacks, strokes, and car accidents, and seconds matter in a life-threatening situations, but because aging fire stations are located far from many Marina residents, response times for some areas of the City are close to 10 minutes, much slower than the 5-minute national standard;

WHEREAS, the City's aging fire and police stations (emergency response center) do not meet current earthquake safety standards, and could collapse and prevent first responders from getting to residents in a major earthquake;

WHEREAS, the current fire stations are too small to accommodate the modern technology and life-saving equipment, such as rescue equipment and a ladder truck, to keep the City safe;

WHEREAS, many essential city programs and services are delivered from deteriorating portable buildings that were installed nearly 50 years ago and were intended to be temporary, are not accessible for residents with disabilities, have mold, asbestos, leaky roofs, are not earthquake safe, and do not provide space to support local services;

WHEREAS, the City's deteriorating community center, which includes the community center, city council chambers, community rooms, recreation and City offices is not up to current earthquake, fire safety and ADA standards; yet this space is packed every day by the City's daycare, pre-school, before/ afterschool programs, and other youth, family, and senior programs; and recreation and city employees and the public;

WHEREAS, the cost to upgrade Marina’s aging facilities is beyond what the City’s current budget can support and the City Council believes that locally controlled funding from a bond measure is needed to construct a new fire station, police station, and community center;

WHEREAS, a bond measure for a fire station, police station, and community center would require strict fiscal accountability protections including public disclosure of all spending, an independent oversight committee, and annual audits;

WHEREAS, all funds from a local bond measure must stay under local control, may only be used for facilities to improve essential services in Marina and cannot be taken away by the State;

WHEREAS, on July 2, 2024, this Council adopted, by a two-thirds vote of all the members of this Council, a Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA, CALIFORNIA, DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE CONSTRUCTION OF CERTAIN MUNICIPAL IMPROVEMENTS AND MAKING FINDINGS RELATING THERETO;"

WHEREAS, in order to provide for the issuance by the City of general obligation bonds to finance the acquisition or improvement of real property to repair or replace the City's aging fire, police station and emergency response center (as further described below and in Exhibit A, the "Projects"), it is necessary for this Council to pass a resolution ordering the submission of the proposition for incurring bonded indebtedness for such purpose to the qualified voters of the City at an election;

WHEREAS, in the judgment of the Council, it is advisable to call an election to submit to the electors of the City on the November 5, 2024 ballot the question of whether general obligation bonds of the City (the "Bonds") shall be issued and sold for the purpose of financing the Projects;

WHEREAS, by a vote of not less than two-thirds of the voters of the City voting in favor upon a proposition incurring such indebtedness (or 55% of the voters of the City voting in favor upon a proposition incurring such indebtedness in the event that Proposition 5 is approved by California voters at the November 5, 2024 election), the City is authorized to issue general obligation bonds to finance municipal improvements pursuant to the provisions of Article 1, commencing with section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code (the "Bond Law");

WHEREAS, net proceeds from the sale of the Bonds will be used to finance the Projects, and all expenditures will be subject to annual independent audits and oversight;

WHEREAS, no proceeds of the sale of the Bonds shall be expended for salaries, pensions or benefits of City employees; and

WHEREAS, pursuant to section 10403 *et seq.* of the California Elections Code, it is appropriate for the Council to request the County Board of Supervisors to consolidate the election for the Bonds with any and all other elections to be held in the City on Tuesday, November 5, 2024 and with the statewide election to be held on that same date, and to request the County Elections Department to perform certain election services for the City.

NOW, THEREFORE, THE CITY COUNCIL DOES RESOLVE AS FOLLOWS:

Section 1. Call for Election. Pursuant to the Elections Code and the Bond Law, the Council hereby calls an election and submits to the electors of the City the question of whether the Bonds in an aggregate principal amount not to exceed \$50,000,000 shall be issued and sold in one or more series for the purpose of financing the Projects described in Exhibit A attached hereto and incorporated herein by reference, and paying costs and expenses incident thereto, as set forth more fully in the ballot proposition (the "Measure") approved pursuant to Section 4 hereof. This Resolution constitutes the order of the City to the County to call such election within the boundaries of the City.

Section 2. Date of Election. The date of the election shall be November 5, 2024, and the election shall be held solely within the boundaries of the City.

Section 3. Requests to County. The Council hereby orders that the election called by this Resolution be consolidated with any and all elections also called to be held within the boundaries of the City on November 5, 2024, and hereby requests the Board of Supervisors of Monterey County to consolidate all such elections with the statewide election to be held on that same date under Elections Code sections 10400 through 10403. Pursuant to Elections Code section 10002, the Council also requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election, and agrees to pay for said services in full. The Council further authorizes and requests that the County Elections Department provide all such services, including but not limited to providing notice of, conducting, and canvassing the results of the election. The Council acknowledges that the consolidated election will be held and conducted in the manner prescribed in section 10418 of the Elections Code.

Section 4. Ballot Measure and Abbreviated Statement of Measure. The purpose of the election shall be for the voters in the City to vote on the Measure, in the form attached hereto as Exhibit A. The County Elections Department is requested to print the full text of the Measure, which commences with the heading "MEASURE" and includes all of the text thereafter in Exhibit A, in the voter information guide provided to voters for the November 5, 2024 election, with such measure designation as is assigned to the Measure.

The abbreviated form of the Measure to appear on the ballot pursuant to section 13247 of the Elections Code is attached hereto as Exhibit B.

The City Manager of the City or his designee is hereby authorized and directed to make any changes to the text of Exhibits A or B as required to conform to any requirements of the County Elections Department.

Section 5. Voter Approval Requirement. The Measure shall become effective if approved by at least 2/3 of the registered voters voting on the Measure; *provided, however*, that if Proposition 5 is approved by California voters at the November 5, 2024 election, then the Measure shall become effective if approved by at least 55% of the registered voters voting on the Measure.

Section 6. Aggregate Principal Amount of Bonds. The aggregate principal amount of the Bonds shall not exceed 3.5% of the assessed value of all taxable property within the City.

Section 7. Term of Bonds. The Council hereby certifies that the maximum term of each series of the Bonds shall not exceed 40 years and the maximum rate of interest on the Bonds shall not exceed 12% per annum, which interest rate does not exceed the maximum rate permitted by applicable law. The Bonds shall be payable from and secured by *ad valorem* taxes levied and collected in the manner prescribed by the laws of the State of California, all equally and ratably secured, without priority, by the taxing power of the City, if the Measure is approved by the requisite percentage of voters voting thereon as set forth above in Section 5.

Section 8. Transmittal of Resolution. The Council hereby authorizes and directs the Deputy City Clerk to submit a certified copy of this Resolution to the Monterey County Elections Department, as soon as possible and in no event later than eighty-eight days prior to the date set for the election, and to prepare, execute, and transmit to the County all documents necessary to carry out the purposes of this Resolution.

Section 9. Tax Rate Statement. The Tax Rate Statement as signed by the City Manager and attached hereto as Exhibit C is hereby approved, and the City Manager is hereby authorized and directed to deliver such Tax Rate Statement to the County Elections Department.

Section 10. Bond Projects List. The Bond Projects List set forth in the Measure lists the specific projects the City proposes to finance with proceeds of the Bonds. Listed repairs, rehabilitation projects and upgrades will be completed as needed. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Therefore the Council cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

Section 11. Accountability Requirements. The expenditure of Bond proceeds for the financing of the Projects shall be subject to strict financial accountability requirements, as set forth in the Measure, including but not limited to an annual independent financial audit to ensure that Bond proceeds are expended to finance the Projects as authorized by the voters. The City will have an annual report prepared describing the funds expended and the projects authorized. The Council shall establish and appoint a citizens' oversight committee (the "Oversight Committee"). The Oversight Committee shall annually review the expenditure of the proceeds of the bonds for the prior year and shall report to the Council whether the proceeds of the Bonds were spent in accordance with the purposes set forth in the ballot measure.

Section 12. No Proceeds for Salaries. No Bond proceeds shall be expended for salaries, pensions or benefits of City employees.

Section 13. Ballot Arguments. The City Council authorizes and directs the following Council member(s): Liesbeth Visscher and Kathy Biala to prepare and file a written argument in favor of the Measure and the rebuttal to the argument against the Measure (if any) pursuant to the requirements of the Elections Code and to request that other persons who are not City Council members also sign the argument, up to a maximum of five signers as authorized by Elections Code section 9283. These Council members may, but are not required to, authorize other persons to sign the rebuttal argument, pursuant to the Elections Code.

The deadline for filing primary arguments for and against the Measure is August 15, 2024. The deadline for filing any rebuttal is August 22, 2024. The location for filing of such arguments is the City Clerk's Office.

Section 14. Impartial Analysis. The City Clerk is instructed to transmit the Measure to the City Attorney along with a request that an impartial analysis be prepared for inclusion in the voter information guide provided to voters for the November 5, 2024, election. Pursuant to Elections Code section 9280, the City Attorney shall prepare an impartial analysis, which shall be filed with the City Clerk no later than August 15, 2024. The Council further requests that the County Elections Department print the impartial analysis in the voter information guide in accordance with Elections Code section 9280.

Section 15. General Authorization with Respect to the Bond Election. The members of the Council and the City Manager (each, an “Authorized Representative”) and their respective designees are hereby authorized and directed to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including but not limited to such changes to the Exhibits hereto which may be necessarily or desirable to correct or finalize such Exhibits. All actions heretofore taken by the officers and agents of the City that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 16. Reimbursement. The City declares its official intent to reimburse prior expenditures of the City incurred prior to the issuance and sale of the Bonds in connection with the Projects or portions thereof to be financed by the Bonds. The Council declares the City's intent to reimburse the City with the proceeds of the Bonds for the expenditures with respect to the Projects ("Expenditures") made on and after that date that is no more than 60 days prior to adoption of this Resolution. The City reasonably expects on the date of adoption of this Resolution that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 17. Identification of Projects not an Approval. The identification of the Projects herein and as set forth in Exhibit A and Exhibit B hereto shall not be interpreted as and does not constitute an official approval of any listed project for the California Environmental Quality Act or any other purpose. Furthermore, the listing of facilities in the description of the Project does not imply any particular prioritization among such facilities, which is to be determined by the Council.

Section 18. Effective Date. Pursuant to Government Code section 43608, this Resolution shall take effect upon its adoption by two-thirds (2/3) of all members of the City Council.

This Resolution was introduced, read, and passed on this 7th day of August 2024, by the following vote:

AYES, COUNCIL MEMEBRS: McAdams, McCarthy, Biala, Visscher

NAYS, COUNCIL MEMEBRS: Delgado

ABSTAIN, COUNCIL MEMBERS: None

ABSENT, COUNCIL MEMBERS: None

APPROVED:

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

EXHIBIT A

The Monterey County Elections Department is requested to print the full text of the Measure exactly as set forth below in the voter information pamphlet to be distributed to voters:

MEASURE

MEASURE TO BE SUBMITTED TO THE VOTERS AUTHORIZING THE OF CITY OF MARINA TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE CONSTRUCTION OF A NEW FIRE AND POLICE STATION AND A COMMUNITY CENTER, INCLUDING COMMUNITY ROOMS

FINDINGS

WHEREAS, in the judgment of the City Council (the "Council") of the City of Marina (the "City"), it is advisable to improve and enhance essential police and fire services to the community by issuing general obligation bonds that will finance the acquisition, improvement, upgrade and maintenance of fire stations, police stations, facilities and real property, including (i) facilities that support emergency lifesaving medical services and reduce 911 response times, (ii) replacing/repairing outdated stations, and constructing a new community center (collectively, the "Projects");

WHEREAS, the Council intends to issue general obligation bonds to finance the Projects and to fund certain costs in connection with the issuance of such general obligation bonds;

OBJECT AND PURPOSE OF BONDS

This measure (the "Measure") authorizes the issuance of general obligation bonds (the "Bonds"), the object and purpose of which is to finance the Projects and certain costs in connection with the issuance of the Bonds.

The Projects will be completed as needed, and each is assumed to include its share of costs, including planning and construction costs. The final cost of each Project will be determined as real property is purchased, plans are finalized, construction bids are awarded, or projects are completed.

Proceeds of the Bonds may be used to reimburse the City for amounts advanced from the general fund or other funds or accounts to fund Projects when such purchases are made prior to the availability of Bond proceeds.

REQUIRED APPROVAL

The Measure shall be deemed approved if approved by at least 2/3 of the registered voters voting on the proposition; *provided, however*, that if Proposition 5 is approved by California voters on the same date that voters of the City are voting on the proposed Bond Measure, the Measure shall be deemed to be approved if approved by at least 55% of the registered voters voting on it.

ESTIMATED COST OF PROJECTS

The estimated cost of the portion of the costs of the Projects to be paid for from the Bonds is \$50,000,000. The estimated cost includes legal and other fees and the cost of printing the Bonds and other costs and expenses incidental to or connected with the authorization, issuance or sale of the Bonds. The cost of the Projects includes planning and construction costs.

PRINCIPAL AMOUNT OF BONDS

The aggregate principal amount of Bonds to be issued in one or more series is not to exceed \$50,000,000.

MAXIMUM INTEREST RATE

The maximum rate of interest to be paid on the Bonds shall not exceed the maximum rate permitted by applicable law.

ACCOUNTABILITY REQUIREMENTS

The following accountability measures apply to the issuance of Bonds pursuant to this Measure:

- (a) The specific purpose of the Bonds is to finance the Projects;
- (b) The proceeds from the sale of the Bonds will be used only for the purposes specified in this Measure, and not for any other purpose, including City employee salaries and other operating expenses. The administrative cost of executing the Projects shall not exceed 5 percent of the proceeds from the sale of the Bonds;
- (c) The proceeds of the Bonds will be deposited into an account to be created and held by the City;
- (d) The proceeds from the sale of the Bonds shall only be spent on Projects that serve the jurisdiction of the City;
- (e) The Council certifies that it has evaluated alternative funding sources for the Projects;
- (f) The City Manager of the City shall file an annual report with the Council which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the Projects;
- (g) All expenditures will be subject to oversight by an independent oversight committee, composed of individuals appointed by the Council, to confirm that Bond proceeds are expended only for the purposes described in this Measure. Members of the oversight committee shall receive educational training about bonds and fiscal oversight;
- (h) The City shall conduct an annual, independent financial audit and an independent performance audit to confirm that Bond expenditures are consistent with the purposes of this Measure, until all of the Bond proceeds have been expended, and such audits shall be posted in a manner that is easily accessible to the public. These annual audits shall be submitted to the California State Auditor for review.
- (i) Any entity owned or controlled by a Council member who voted on whether to place the Measure on the ballot shall be prohibited from bidding on any work funded by the Measure.

IDENTIFICATION OF TAX; USE OF REVENUE

The tax imposed by this Measure is an *ad valorem* tax levied upon taxable real property in the City. The tax will be used to pay the principal and interest on the Bonds.

BOND PROJECT LIST

Bond funds will be used in combination with any other received State matching funds. The City will use bond funds for the following projects:

Construction of a new fire and police station to maintain rapid 9-1-1 emergency response times, disaster and emergency response, and fire and police services.

Construction of a community center to provide safe places for children to play, delivery of city programs and services, and space for public and community meetings.

For any project involving modernization or renovation of a building or the major portion of a building, the City shall be authorized to proceed with new replacement construction if the Council determines that replacement and new construction is economically more practical considering the building's age, condition and other relevant factors.

* * *

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs.

The allocation of bond proceeds may be affected by the City's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the City will aggressively pursue to reduce the City's share of the costs of the projects, the City may not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the City'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 of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Council determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the City for the cost of City staff when performing work on or necessary and incidental to the bond projects, but not for other administrator salaries.

EXHIBIT B

ABBREVIATED MEASURE

The Monterey County Elections Department is requested to cause the exact wording of the following abbreviation of the Measure to appear on the ballot:

MARINA 911 EMERGENCY RESPONSE, SAFETY, ESSENTIAL SERVICES/ FACILITIES MEASURE. To maintain rapid 911, fire, and emergency response times; ensure Marina's Fire/Police Departments can respond to emergencies, maintain fire/police services, provide fire/police stations/ community center, shall City of Marina's measure authorizing \$50,000,000 in bonds at legal rates, levying on average \$54.74 annually per \$100,000 of assessed value, generating approximately \$3,191,000 annually while bonds are outstanding, be adopted, requiring public spending disclosure, all funds spent locally?

EXHIBIT C
TAX RATE STATEMENT

An election will be held in the City of Marina (the “City”) on November 5, 2024, to authorize the sale of up to \$50,000,000 in bonds of the City for the specific projects listed in the Bond Project List established by the City, as described in the ballot measure (“Measure”). If the bonds are authorized, the City expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the City. The following information is provided in compliance with sections 9400-9404 of the California Elections Code.

1. The best estimate from official sources of the average annual tax rate that would be required to be levied to fund that bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement or a projection based on experience within the same jurisdiction or other demonstrable factors is 5.474 cents per \$100 of assessed valuation (\$54.74 per \$100,000 of assessed valuation) of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2055-56.

2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund that bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of filing of this statement or a projection based on experience within the same jurisdiction or other demonstrable factors is 8.394 cents per \$100 of assessed valuation (\$83.94 per \$100,000 of assessed valuation) of all property to be taxed. The best estimate of the year in which the highest tax rate will apply is anticipated to be 2026-27.

3. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$98,912,943.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by local voters for the City or for any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property on the Monterey County’s official tax rolls, not on the property’s market value. Property owners should consult their own property tax bills to determine their property’s assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the City’s projections and estimates only, which are not binding upon the City. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City as determined by the Monterey County Assessor in the annual assessment and the equalization process.

Dated: _____, 2024.

City Manager
City of Marina