

CENTRAL FIRE DISTRICT OF SANTA CRUZ COUNTY

RESOLUTION NO. 2024-14

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL
FIRE DISTRICT OF SANTA CRUZ COUNTY ORDERING A
GENERAL OBLIGATION BOND ELECTION, AND AUTHORIZING
NECESSARY ACTIONS IN CONNECTION THEREWITH**

RESOLVED, by the Board of Directors (the "Board") of the Central Fire District of Santa Cruz County (the "District"), within Santa Cruz County, California (the "County"), as follows:

WHEREAS, the communities of Aptos, Capitola, La Selva Beach, Live Oak, Rio Del Mar, and Soquel in the County all depend on the District to lend a helping hand in a crisis;

WHEREAS, from medical emergencies, natural disasters, devastating wildfires, or general neighborhood services, the District answers calls from community members in need;

WHEREAS, the District recently undertook a comprehensive facilities assessment and master planning process to better understand how the state of its facilities impacts the services we are able to provide to the community;

WHEREAS, the process outlined an exhaustive list of repairs, upgrades and improvements to address District facilities' needs;

WHEREAS, an independent audit found District facilities to be "inadequate" at meeting safety requirements, meaning firefighters are working and living in deteriorating stations with asbestos, lead paint, and leaky roofs, and that do not meet earthquake standards;

WHEREAS, the District is proud to provide life-saving services to its community, but many of its 60-year-old stations, fire trucks, engines and life-saving equipment are far beyond their useful life;

WHEREAS, more than 70% of the calls received are for medical emergencies such as heart attacks, strokes and car accidents; seconds matter in these life-threatening situations, yet the current state of facilities and equipment and the location of stations is putting a strain on our emergency response times;

WHEREAS, the District population has more than tripled since the majority of its fire stations were built, historic stations are not keeping up with demand, current resources are simply too small to house the number of firefighters and paramedics needed to properly respond to calls from a community of its size;

WHEREAS, extreme weather is causing more severe and frequent wildfires and flooding that are fast-moving, unpredictable and dangerous; in fact, when the District's service area experiences a natural disaster like heavy rainfall and flooding, its aging fire stations are frequently

evacuated themselves which limits the District's ability to respond when the community needs it the most;

WHEREAS, the scope and scale of the needs identified in the Facilities Master Plan far exceed the District's current operating budget;

WHEREAS, by law all funds from the proposed Bond Measure are required to be spent only for the acquisition, upgrade, and maintenance of fire stations, facilities, apparatus, equipment and real property in communities served by the District and none of the money can be spent on salaries, benefits, pensions or other purposes;

WHEREAS, all money generated is legally required to stay local for the acquisition, upgrade, and maintenance of fire stations, facilities and real property in the communities served by the District, and none of the money can be seized by Sacramento or other government agencies;

WHEREAS, in the judgment of the Board, it is advisable to call an election to submit to the electors of the District on the November 2024 ballot the question of whether general obligation bonds of the District (the "Bonds") shall be issued and sold for the purpose of raising money for the acquisition, upgrade, and maintenance of fire stations, facilities, apparatus, equipment and real property to maintain essential fire services (as further described below and in Exhibit A, the "Projects");

WHEREAS, the District is an independent special district for fire protection duly organized and existing under section 12800 *et seq.* of the California Health and Safety Code (the "Fire Protection District Act");

WHEREAS, by a vote of not less than two-thirds of the voters of the District voting in favor upon a proposition incurring such indebtedness, the District is authorized to issue general obligation bonds pursuant to section 13925 *at seq.* of the Fire Protection District Act and Article 4.5, commencing with section 53506 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, together with other applicable state law, the "Bond Law");

WHEREAS, pursuant to the Bond Law, the District intends to issue the Bonds to finance the Projects, generally including (a) facilities, apparatus and equipment that support emergency lifesaving medical services, reduce 911 response times and maintain wildfire protection services, (b) replacing/upgrading outdated stations, and (c) retrofitting fire facilities for earthquake safety;

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 District employees; and

WHEREAS, pursuant to section 10403 *et seq.* of the California Elections Code, it is appropriate for the Board 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 District on Tuesday, November 5, 2024, and to request the County Registrar of Voters (the "County Registrar") to perform certain election services for the District.

NOW, THEREFORE, it is hereby RESOLVED, by the Board of Directors of the Central Fire District of Santa Cruz County, as follows:

Section 1. The Board finds that public interest and necessity demand the acquisition, construction and completion of the Projects and the Board has decided to issue the Bonds, if approved by the District voters, to finance the cost thereof, subject to completion of the proceedings required by the Bond Law.

Section 2. The Board hereby calls an election and submits to the electors of the District the question of whether the Bonds in an aggregate principal amount not to exceed \$221,000,000 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 approved pursuant to Section 4 hereof if approved by at least 2/3 of the registered voters voting on the proposition; *provided, however,* that if Assembly Constitutional Amendment ("ACA 1/ACA 10") is approved by California voters on the same date that voters of the District are voting on the proposed Bond measure, such measure shall be deemed to be approved if approved by at least 55% of the registered voters voting on the proposition. The aggregate principal amount of the Bonds shall not exceed 10% of the assessed value of all taxable property within the District. This Resolution constitutes the order of the District to call such election.

Section 3. The date of the election shall be November 5, 2024, and the election shall be held solely within the boundaries of the District.

Section 4. The purpose of the election shall be for the voters in the District to vote on a bond measure, substantially in the form attached hereto as Exhibit A. As required by Section 13247 of the Elections Code, the abbreviated form of the measure to appear on the ballot is attached hereto as Exhibit B. The District Fire Chief (the "Fire Chief") or his designee is hereby authorized and directed to make any changes to the text of the proposition as required to conform to any requirements of the County Registrar.

Section 5. The Board hereby certifies that the maximum term of each series of the Bonds shall not exceed 30 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 District, if two-thirds of all qualified voters voting on the measure vote in favor thereof.

Section 6. The County Registrar is hereby requested to give notice of the election in the Santa Cruz Sentinel, as required by the Bond Law and the California Elections Code.

Section 7. The Tax Rate Statement as signed by the Fire Chief and attached hereto as Exhibit C is hereby approved, and the Fire Chief is hereby authorized and directed to deliver such Tax Rate Statement to the County Registrar.

Section 8. The Bond project lists the specific projects the District 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 Board cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects.

Section 9. The expenditure of Bond proceeds for the financing of the Projects shall be subject to strict financial accountability requirements, including an annual independent financial audit to ensure that Bond proceeds are expended to finance the Projects as authorized by the voters. The District will have an annual report prepared describing the funds expended and the projects authorized. The Board 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 Board whether the proceeds of the Bonds were spent in accordance with the purposes set forth in the ballot measure.

Section 10. No Bond proceeds shall be expended for salaries, pensions or benefits of District employees.

Section 11. The County Registrar is hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 5, 2024, within the District. The Board acknowledges that such consolidated election will be held and conducted in the manner prescribed in section 10418 of the Elections Code.

Section 12. The members of the Board and the Fire Chief (each, an "Authorized Representative") are hereby authorized, but not directed, to prepare and file with the County Registrar a ballot argument in favor of the proposition within the time established by the County Registrar

Section 13. Each 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 District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 14. The District declares its official intent to reimburse prior expenditures of the District 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 Board declares the District's intent to reimburse the District 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 District reasonably expects on the date of adoption of this Resolution that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 15. 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 the Project does not imply any particular prioritization among such Project components, which is to be determined by the Board.

Section 16. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 11th day of July, 2024, by the following vote:

AYES: 3

NAYS: 0

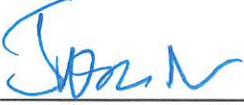
ABSTAIN: 0

ABSENT: 2

APPROVED:

Chair of the Board of Directors of the
Central Fire District of Santa Cruz County

Attest:



Clerk of the Board of Directors of the
Central Fire District of Santa Cruz County


Vice chair

CLERK'S CERTIFICATE

I, Jason Nee, Clerk of the Board of Directors of the Central Fire District of Santa Cruz County, of Santa Cruz County, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the District duly and regularly held at the regular meeting place thereof on July 11, 2024, and entered in the minutes thereof, of which meeting all of the members of the Board of Directors had due notice and at which a quorum thereof was present. The resolution was adopted by the following vote:

AYES: 3

NOES: 0

ABSTAIN: 0

ABSENT: 2

At least 24 hours before the time of said meeting, a written notice and agenda of the meeting was mailed and received by or personally delivered to each member of the Board of Directors not having waived notice thereof, and to each local newspaper of general circulation, radio, and television station requesting such notice in writing, and was posted in a location freely accessible to members of the public, and a brief description of the resolution appeared on said agenda.

I have carefully compared the same with the original minutes of the meeting on file and of record in my office. The resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 11 day of July, 2024.



Clerk of the Board of Directors
Central Fire District of Santa Cruz County

EXHIBIT A

MEASURE

The County Registrar is requested to print the full text of the Measure set forth below in the voter information pamphlet to be distributed to voters:

MEASURE TO BE SUBMITTED TO THE VOTERS AUTHORIZING THE CENTRAL FIRE DISTRICT OF SANTA CRUZ CONTY TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION, IMPROVEMENT, UPGRADE AND MAINTENANCE OF FIRE STATIONS, FACILITIES, APPARATUS, EQUIPMENT AND REAL PROPERTY

FINDINGS

In the judgment of the Board of Directors (the "Board") of the Central Fire District of Santa Cruz Country (the "District"), it is advisable to maintain essential fire services to the community by issuing general obligation bonds that will finance the acquisition, improvement, upgrade and maintenance of fire stations, facilities and real property, including (i) facilities, apparatus and equipment that support emergency lifesaving medical services, reduce 911 response times and maintain wildfire protection services, (ii) replacing/repairing outdated stations, and (iii) retrofitting fire facilities for earthquake safety (collectively, the "Projects");

The Board 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 District 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 Assembly Constitutional Amendment ("ACA 1") is approved by California voters on the same date that voters of the District are voting on the proposed Bond measure, such measure shall be deemed to be approved if approved by at least 55% of the registered voters voting on the proposition.

ESTIMATED COST OF PROJECTS

The estimated cost of the portion of the costs of the Projects to be paid for from the Bonds is \$221,000,000. 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 or more series is not to exceed \$221,000,000.

MAXIMUM INTEREST RATE

The maximum rate of interest to be paid on the Bonds shall not exceed 12% per annum, which interest rate does 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;
- (c) The proceeds of the Bonds will be deposited into an account to be created and held by the District;
- (d) The Fire Chief of the District shall file an annual report with the Board which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the Projects;
- (e) All expenditures will be subject to oversight by an independent oversight committee, composed of individuals appointed by the Board, to confirm that Bond expenditures are consistent with the intent of this Measure; and
- (f) All expenditures also will be subject to an annual independent financial audit to confirm that Bond expenditures are consistent with the intent of this 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 District. The tax will be used to pay the principal and interest on the Bonds.

BOND PROJECT LIST

This Bond Project List, describes the specific projects the District proposes to finance with proceeds of the bonds.

In order to meet all identified facility needs, the District intends to complete projects using a combination of funding sources, including contributions, development impact fees, and grant funding (if available). Approval of this measure does not guarantee that all projects on this Bond Project List will be funded beyond the local revenues generated by this measure.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, replacement, furnishing and equipping of fire facilities, and the acquisition or lease of real property for fire facilities, all as listed on the Bond Project List. Specific projects to be funded by the bond measure include, without limitation, the following:

A. FIRE STATION IMPROVEMENT PROJECTS

- Construct, reconstruct, relocate, modernize, and/or improve outdated fire stations in Soquel, Capitola, and La Selva Beach;
- Acquire land for the construction and/or relocation of fire stations;
- Remove or replace existing, inadequate fire station buildings as needed; and
- Perform infrastructure improvements and site-work related to fire station construction, reconstruction, relocation, and improvement projects.

B. PROJECTS TO SUPPORT FIRE DISTRICT OPERATIONS

- Construct new firefighter training facility;

- Construct, reconstruct, relocate, and/or improve support services facilities, including fire staff offices, training rooms, governance facilities, and/or fire fleet services facility;
- Acquire land for training and support services facilities; and
- Acquire and/or replace life-saving fire apparatus and capital equipment.

For any project involving modernization or renovation of a building or the major portion of a building, the District shall be authorized to proceed with new replacement construction if the Board of Directors 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 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 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 Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient facilities. 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 District for the cost of District staff when performing work on or necessary and incidental to the bond projects, but not for other administrator salaries.

EXHIBIT B

ABBREVIATED MEASURE

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

Central Fire District 911 Medical Emergency Response and Fire Protection Measure. To maintain 911 response times; protect local medical emergency and fire protection services; and prepare for wildfires, floods, and earthquakes by upgrading and repairing aging lifesaving equipment and stations, shall Central Fire District of Santa Cruz County's measure authorizing \$221,000,000 in bonds at legal rates, levying \$29/\$100,000 of assessed valuation, generating \$11,600,000 annually while bonds are outstanding, be approved, requiring citizens' oversight, public spending disclosure, audits and all funds spent locally?

YES

NO

EXHIBIT C
TAX RATE STATEMENT

An election will be held in the Central Fire District of Santa Cruz County (the "District") on November 5, 2024, to authorize the sale of up to \$221,000,000 in bonds of the District for the specific projects listed in the Bond Project List established by the District, as described in the proposition. If the bonds are authorized, the District expects to sell the bonds in two 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 District. 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 the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 29 cents per \$100 of assessed valuation (\$29 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 2063-64.

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 the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 49 cents per \$100 of assessed valuation (\$49 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 2034-35.

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 \$470,000,000.

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 District 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 Santa Cruz 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 District's projections and estimates only, which are not binding upon the District. 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 District 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 District as determined by the Santa Cruz County Assessor in the annual assessment and the equalization process.

Dated: July 11, 2024.



Fire Chief
Central Fire District of Santa Cruz County