

SCOTTS VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2024-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SCOTTS VALLEY FIRE
PROTECTION DISTRICT ORDERING A GENERAL OBLIGATION BOND
ELECTION, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION
THEREWITH

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

WHEREAS, the District provides life-saving emergency medical and fire response services to the City and community of Scotts Valley and adjacent unincorporated areas of Santa Cruz County;

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

WHEREAS, the District conducted an assessment of its existing fire stations and support facilities and determined that they are inadequate at meeting safety requirements and allowing the District to continue to provide rapid 911-response and protect the community from wildfire or other natural disasters;

WHEREAS, modern fire stations are designed, constructed and improved to allow for optimal and quick deployment of life-saving resources to ensure efficiency when responding to local 911 calls for medical emergencies such as heart attacks, strokes, vehicle accidents, fires and other life-safety events;

WHEREAS, the District's headquarters does not meet current seismic standards rendering it unsafe in an earthquake, and lacks the space to provide essential emergency services;

WHEREAS, the District must acquire and construct a new fire station and/or upgrade and properly repair the existing 60-year old fire station, that is well beyond its useful life, to meet the current needs of the District;

WHEREAS, the District's fire stations and facilities must continue to be prepared for unpredictable wildfires and fire risks by having stations and facilities that strategically allow for rapid response to the thousands of acres of improved and unimproved property and open space

within the surrounding communities with adequate space to function as local resource centers in the event of a disaster;

WHEREAS, the scope and scale of the fire station and administrative support facility improvement needs far exceed the District's current operating budget;

WHEREAS, 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;

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 construction, acquisition, upgrade, and maintenance of fire stations, support facilities, and real property to enhance essential fire and emergency medical 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; *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 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 replacing/repairing an outdated fire station and administration that support emergency lifesaving medical services, reduce 911 response times, and enhance wildfire protection services;

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 Scotts Valley Fire Protection District, 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 \$24,500,000 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; *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.

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 10th day of July, 2024, by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Director Adam Cosner	X			
Director Kris Hurst	X			
Director Joseph Parker	X			
Director Russ Patterson	X			
Director Daron Pisciotta	X			

APPROVED:



President of the Board of Directors of the
Scotts Valley Fire Protection District

Attest:



Clerk of the Board of Directors of the
Scotts Valley Fire Protection District

CLERK'S CERTIFICATE

I, ^{MAKIC} ~~CORREIRA~~, Clerk of the Board of Directors of the Scotts Valley Fire Protection District, 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 10, 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:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Director Adam Cosner	X			
Director Kris Hurst	X			
Director Joseph Parker	X			
Director Russ Patterson	X			
Director Daron Pisciotta	X			

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
Scotts Valley Fire Protection District

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:

Scotts Valley Fire and Life Safety Investment Measure - To improve 911 response times, maintain lifesaving emergency medical services, strengthen wildfire protection and prevention, and construct a seismically safe and strategically located station to ensure operations during a disaster; shall the Scotts Valley Fire Protection District measure issuing \$24,500,000 in bonds at legal rates, levying approximately \$17 per \$100,000 of assessed valuation, generating \$1,700,000 annually while bonds are outstanding be authorized, requiring citizens' oversight, and all funds spent locally?

FINDINGS

- The Scott's Valley Fire Protection District (the "District") provides life-saving emergency medical and fire response services to the City and community of Scotts Valley and adjacent unincorporated areas of Santa Cruz County.
- From medical emergencies, natural disasters, devastating wildfires, or general fire district related neighborhood services, the District answers calls from community members in need 24 hours a day, seven days a week.
- The District conducted an assessment of its existing fire stations and administrative support facilities and determined that they are inadequate at meeting safety requirements and allowing the District to continue to provide rapid 911-response and protect the community from wildfire or other natural disasters.
- Modern fire stations are designed, constructed and improved to allow for optimal and quick deployment of life-saving resources to ensure efficiency when responding to 911 calls for medical emergencies such as heart attacks, strokes, vehicle accidents, and fires and other life-safety events.
- The District's headquarters fire station does not meet current seismic standards putting the firefighters and community at risk in an earthquake and lacks the space to provide modern and essential emergency fire services.
- The District must acquire and construct a new fire station to replace the existing 60-year old fire station, that is well beyond its useful life, not seismically safe, and to meet the current building code and the needs of the District.
- The District's fire stations and administrative support facilities must continue to be prepared for unpredictable wildfires and fire risks by having stations and facilities that allow for rapid response to the thousands of acres of improved and unimproved property and open space within the District and surrounding communities with adequate space to function as a local resource center in the event of a disaster if needed.

- The scope and scale of the fire station and administrative support facility improvement financial needs far exceed the District's current operating budget.
- 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.
- 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 construction, acquisition, upgrade, and maintenance of fire stations, administrative support facilities, and real property to enhance essential fire services (as further described below, under "Bond Project List").
- 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.
- No proceeds of the sale of the Bonds shall be expended for salaries, pensions or benefits of District employees.

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 \$24,500,000. 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 \$24,500,000.

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, , replacement, furnishing and equipping of fire facilities, and the acquisition or 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 station;
 - Acquire land for the construction and/or relocation of fire station or administrative facility;

- Remove or replace existing, inadequate fire station buildings as needed; and
- Perform site-work related to fire station construction, reconstruction, and relocation.

B. PROJECTS TO SUPPORT FIRE DISTRICT OPERATIONS

- Construct, reconstruct, relocate, and/or improve administrative support services facilities, including fire staff offices, training rooms, governance facilities, and/or fire fleet services facility;
- Acquire land and building, if needed, for administrative support services facilities.

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:

Scotts Valley Fire and Life Safety Investment Measure - To improve 911 response times, maintain lifesaving emergency medical services, strengthen wildfire protection and prevention, and construct a seismically safe and strategically located station to ensure operations during a disaster; shall the Scotts Valley Fire Protection District measure issuing \$24,500,000 in bonds at legal rates, levying approximately \$17 per \$100,000 of assessed valuation, generating \$1,700,000 annually while bonds are outstanding be authorized, requiring citizens' oversight, and all funds spent locally?

YES

NO

EXHIBIT C

TAX RATE STATEMENT

An election will be held in the Scotts Valley Fire Protection District (the "District") on November 5, 2024, to authorize the sale of up to \$24,500,000 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 Elections Code of the State of California.

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 17 cents per \$100 of assessed valuation (\$17 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 2056-57.

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 25 cents per \$100 of assessed valuation (\$25 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 2027-28.

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 \$51,500,000.

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
Scotts Valley Fire Protection District