City of Needles, California
Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ HACN ☒ Regular ☐ Special

Meeting Date: July 14, 2026

Title: Adopt Resolution of Necessity and Conduct First Reading of Ordinance 684-AC Ordering the Submission of a General Obligation Bond Measure to the Qualified Voters at the November 3, 2026 General Municipal Election

Background: The City of Needles has identified critical needs for repairs and improvements to roads and transportation infrastructure, streets and potholes, parks and recreational facilities, community safety, and revitalization of downtown Main Street. General obligation bonds have historically provided cities with the lowest long-term borrowing costs. These bonds are voter-approved and repaid through *ad valorem* property taxes levied only as needed to pay debt service.

A recent community survey indicated support for a bond measure with a modest tax impact. The proposed $11,200,000 bond measure is sized to generate approximately $739,971 annually on average while the bonds are outstanding, with a projected rate of $60 per $100,000 of assessed valuation resulting in an estimated average annual impact in the range previously identified as having community support.

The proposed process follows the statutory requirements of the California Government Code for municipal general obligation bonds.

Analysis:

Resolution of Necessity: Required by Government Code Section 43607. Must be adopted by the requisite Council vote. Finds public necessity for the Improvements and that costs exceed annual levy capacity.

Ordinance: Required by Government Code Section 43610. Includes object and purpose, estimated costs, maximum bond amount of $11,200,000, maximum interest rate, full text of the bond measure and election details. The Ordinance will be provided to voters as part of the voter information materials.

75-Word Ballot Question: The summary statement of the measure will appear on the ballot with the following question: "To improve the City of Needles including roads and transportation infrastructure; repairing and repaving streets; fixing potholes; maintaining community safety; improving parks and recreational facilities; and revitalizing downtown Main Street; shall the City of Needles measure be approved authorizing $11,200,000 of bonds at legal rates, generating on average $739,971 annually while bonds are outstanding at a rate of $60 per $100,000 assessed value, with annual audits, independent citizens' oversight, NO money for salaries and all money staying in Needles?"

Timeline: First reading at this meeting; second reading and adoption at the next regular meeting. Final documents must be submitted to the San Bernardino County Registrar of Voters no later than 88 days in advance of the November 3, 2026 election.

Voter Approval: Requires two-thirds approval of the City Council and two-thirds approval of the voters.

Accountability: The measure includes strong accountability provisions, including annual audits, independent citizens' oversight, prohibition on use of funds for salaries, and requirement that all funds stay in Needles — consistent with community expectations.

Fiscal Impact: If approved by voters, the $11,200,000 in bonds would be repaid solely through the levy of *ad valorem* property taxes. The measure is projected to generate on average $739,971 annually while the bonds are outstanding at a rate of $60 per $100,000 of assessed valuation. This is designed to result in a modest average annual impact for Needles property owners. There is no direct impact on the City's General Fund operating budget.

Environmental Impact: State CEQA Guidelines Section 15378(b)(4) excludes "government funding mechanisms or other government fiscal activities" from the definition of "project" when they do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. Voter approval of the proposed bonds will not commit the City to issue bonds or construct any specific project. Specific capital projects funded by bond proceeds will undergo separate CEQA review at the appropriate time.

Recommendation:

It is recommended that the City Council:

1. Find that the proposed action and the proposed ballot measure are not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15378(b)(4), as they constitute government funding mechanisms that do not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment;

2. Adopt the Resolution of Necessity determining that the public interest and necessity demand the municipal improvements and that bonded indebtedness is required; and

3. Conduct the first reading of Ordinance 684-AC ordering the submission of a General Obligation Bond Measure to the qualified voters of the City at the November 3, 2026 general election for the purpose of financing road repairs, public facilities, and other essential municipal infrastructure improvements.

4. Reinstate the July 28, 2026, Regular City Council Meeting

Attachments:

1. Resolution of Necessity
2. Ordinance 684-AC Ordering Submission of Bond Measure (first reading)
3. 75-Word Ballot Question (as provided above)
4. Tax Rate Statement (prepared by Municipal Advisor reflecting $11,200,000 bond and $60 per $100,000 rate)

Submitted By: Patrick Martinez, City Manager

City Manager Approval: Rainie Torrance Acting City Manager Date: 7/9/2026

Other Department Approval (when required): ______________________ Date: ________________