ORDINANCE 684-AC

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF NEEDLES, CALIFORNIA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026

WHEREAS, the City Council ("City Council") of the City of Needles ("City") has adopted a Resolution of Necessity determining that the public interest and necessity demand certain municipal improvements and that it is necessary to issue general obligation bonds to finance the cost thereof; and

WHEREAS, it is the desire of the City Council to submit to the qualified voters of the City at the general municipal election to be held on November 3, 2026, a proposition authorizing the issuance of general obligation bonds for such purposes.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEEDLES DOES ORDAIN AS FOLLOWS:

Section 1. <u>Purpose</u>. The purpose of this Ordinance is to order the submission to the qualified voters of the City of Needles, at the general municipal election to be held on November 3, 2026, of a proposition authorizing the issuance of general obligation bonds of the City.

Section 2. <u>Objective and Purpose of Bonds</u>. The object and purpose of the bonds is to finance the cost of acquiring, constructing, improving, renovating, and equipping municipal improvements and public infrastructure within the City, including but not limited to, improvements to roads and transportation infrastructure, street rehabilitation, street repaving, and pothole repair, public facilities, parks and recreational facilities, community safety improvements, and the revitalization of Downtown Main Street. The bonds may also fund all necessary costs and expenses incidental thereto, including costs of issuance.

Section 3. <u>Estimated Cost</u>. The estimated cost of the improvements to be financed is approximately $11,200,000 (including costs of issuance and sale of the bonds).

Section 4. <u>Maximum Principal Amount of Bonds</u>. The maximum principal amount of bonds to be issued shall not exceed $11,200,000. The bonds may be issued in one or more series.

Section 5. <u>Maximum Interest Rate</u>. The bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by law (which is currently 8%).

Section 6. <u>Election</u>. The proposition shall be submitted to the qualified voters of the City at the general municipal election to be held on November 3, 2026, which election is hereby called and ordered to be held. The election shall be consolidated with the statewide general election on the same date, and the San Bernardino County Registrar of Voters is requested to perform all services necessary for the conduct of the election.

Section 7. <u>Ballot Proposition</u>. The abbreviated form of the proposition to appear on the ballot shall be substantially as follows:

> "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?"

Section 8. Full Text of Ballot Measure. The full text of the proposition shall be as set forth in Exhibit A hereto is hereby approved and shall be included in the voter information pamphlet. The tax rate statement, attached hereto at Exhibit B, is hereby approved.

Section 9. Tax Levy. If the proposition is approved by the requisite number of voters, the City shall levy and collect an *ad valorem* tax on all taxable property in the City sufficient to pay the principal of and interest on the bonds as the same become due.

Section 10. Accountability. The City shall comply with all applicable accountability requirements, including but not limited to establishing a separate account for bond proceeds, annual reporting, and independent audits.

Section 11. Effective Date. This Ordinance shall take effect thirty (30) days after its final adoption, except that for purposes of calling the election it shall take effect immediately upon adoption to the extent permitted by law.

INTRODUCED AND READ for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 14th day of July 2026, by the following roll call vote:

AYES: COUNCIL MEMBERS FORD, CAMPBELL, POGUE, BELT, LONGBRAKE
NOES: NONE
ABSENT: COUNCIL MEMBER MCCORKLE
ABSTAIN: NONE

Janet Jernigan

Janet Jernigan, Mayor

ATTEST: Candace Clark

Candace Clark, City Clerk

PASSED, APPROVED, AND ADOPTED this 28th day of July 2026, at the regular meeting of the City Council of the City of Needles, California, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

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Janet Jernigan, Mayor

ATTEST: ______________________________

Candace Clark, City Clerk

APPROVED AS TO FORM: ______________________________

City Attorney

EXHIBIT A

FULL TEXT OF BALLOT MEASURE

INTRODUCTION

The City of Needles ("City") faces a number of challenges due to aging and insufficient infrastructure. Public improvements are needed to City infrastructure, including but not limited to streets and roads, sidewalks, and parks and recreational facilities. A local general obligation bond was identified as a necessary component in meeting the capital financing needs of the City.

BOND AUTHORIZATION

By approval of this measure (the "Measure") by at least two-thirds of the qualified voters voting, the City shall be authorized to issue and sell bonds in the aggregate principal amount of $11,200,000 to provide financing for City projects consisting of improvement, acquisition, construction, and renovation of City facilities and infrastructure, subject to all of the accountability safeguards specified in this Measure.

The City plans and expects to use proceeds of the bonds authorized by this Measure to finance the improvement, acquisition, construction, and renovation of public infrastructure, which is expected to include the following project elements:

Street, Roadway and Pothole Repair Improvements

- Repair, replace, resurface, repave, construct, acquire, and upgrade City streets, roads, alleys, parking, intersections and transportation infrastructure
- Fix potholes
- Address pavement deterioration
- Repair, replace, resurface, repave, construct, acquire, and upgrade street surfaces
- Improve street safety
- Repair, replace, construct, acquire, and upgrade drainage infrastructure
- Repair, replace, construct, acquire, and upgrade curbs, gutters, medians, traffic improvements, striping, signage, lighting, and signals

Sidewalk and Pedestrian Safety Improvements

- Repair, replace, resurface, repave, construct, acquire, and upgrade sidewalks, walkways, curb ramps, crosswalks, pedestrian paths, and accessibility improvements.

Parks and Recreational Facilities

- Acquire, repair, replace, construct, acquire, and upgrade parks, playgrounds, recreational facilities, restrooms, irrigation, landscaping, and parking at City parks and recreational facilities.

Each of the foregoing bond projects may include all incidental projects, including abatement and removal of hazardous materials, addressing unforeseen conditions revealed by construction and/or reconstruction, other improvements required to comply with existing building codes, and all work necessary and incidental to specific projects described above, including any demolition, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to, costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, bond issuance, accounting and similar costs, demolition and disposal of existing structures, and federal and state-mandated safety measures and upgrades. Bond projects do not include money for administrator salaries or benefits or general operating expenses – see below.

The City Council has reserved the right to finance authorized projects with the bonds as it deems advisable and necessary. The inclusion or specification of a project in the foregoing list is not a guarantee that such project will be constructed or completed, or that it will be constructed or completed as described above at any particular time or in any particular order of priority. Projects and upgrades will be completed as needed at a particular site according to City Council-established priorities. This Measure authorized the financing of projects, and shall not be deemed to be an approval of any "project" for purposes of the California Environmental Quality Act.

All of the purposes enumerated in this Measure shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes.

<u>ACCOUNTABILITY MEASURES</u>

No Money for Administrators' Salaries or Benefits - Proceeds from the sale of the bonds authorized by this Measure shall be used only for costs incurred in connection with the improvement, acquisition, rehabilitation and construction of the projects listed above, and the costs of the issuance of the bonds, and not for any other purpose, including staff and administrator salaries and other operating expenses.

Special Bond Proceeds Account, Annual Audit, and Report to Board – The City Council hereby directs that a separate account shall be established for deposit of proceeds of the sale of bonds authorized by this Measure if the Measure is approved by the voters.

For so long as any proceeds of the bonds authorized by this Measure remain unexpended, the City Treasurer shall cause a report to be filed with the City Council no later than five (5) months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of bonds authorized by this Measure shall have been received. The report shall state (1) the amount of bond proceeds received and expended in such fiscal year, and (2) the status of any projects funded or to be funded from the proceeds of bonds authorized to be issued by this Measure. The report may be incorporated into or filed with the audit or other appropriate routine report provided to the City Council. Audited financial statements of the City will continue to be made available in accordance with applicable requirements.

<u>OTHER TERMS OF BONDS</u>

The bonds authorized by this Measure, in an aggregate principal amount of $11,200,000 shall be issued upon the order of the City Council in one or more series and at one or more times as may be necessary and most advantageous to raise money for the purposes set forth herein.

The bonds shall bear interest payable at a rate not exceeding the legal limit.

The bonds, or any series thereof, shall have a maturity date no later than forty years following the date of issuance of such series.

The taxes levied pursuant to this Measure shall be collected in the same manner as *ad valorem* property taxes and applied towards the payment of principal of and interest on said bonds.

EXHIBIT B

TAX RATE STATEMENT

An election will be held in the City of Needles (the "City") on November 3, 2026 to authorize the sale of up to $11,200,000 in general obligation bonds to finance the City projects as described in the bond measure. If such bonds are authorized, the City expects to sell the bonds in one or more series. The following information is submitted in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the City, and other demonstrable factors.

Based upon the foregoing and projections of the City's assessed valuation available at the time of this statement, the following information is provided:

1. The best estimate of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on estimated assessed valuations available at the time of filing of this statement, is 6¢ per $100 ($60 per $100,000) of assessed valuation. It is currently expected that the final fiscal year in which the tax will be collected is fiscal year 2058-59.

2. The best estimate of the highest tax rate that would be required to be levied to fund this bond issue, and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing this statement, or a projection based on experience within the same jurisdiction or other demonstrable factors, is 6¢ per $100 ($60 per $100,000) of assessed valuation of all property to be taxed for fiscal years 2027-28 through and including 2060-61; this tax rate is projected to apply in each fiscal year that the bonds are outstanding.

3. The best estimate of total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold will be approximately $25.16 million.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and durations and are not binding upon the City. These estimates are based on projections derived from information obtained from official sources, and are based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions. The actual debt service, tax rates and the years in which they will apply may vary depending on the timing of bond sales, the par amount of bonds sold at each sale, and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the City based on the need for project funds and other considerations. Actual assessed valuations will depend upon the amount and value of taxable property within the City as determined by the County Assessor in the annual assessment and the equalization process.