



City Council Report

Item: 15
 Category: PUBLIC HEARINGS AND
 INTRODUCTION OF
 ORDINANCES
 Meeting Date: July 17, 2018

TITLE: Actions Related to the Submission of a General Bond Measure on the November 2018 General Election (Resolutions/Ordinance/Roll Call Vote)

RECOMMENDED ACTION

Staff recommends that the City Council take the following actions: adopt the Resolution of Necessity; adopt the Resolution Calling Election; and introduce and take first reading of the draft Ordinance ordering the submission of the measure incurring bonded indebtedness for the purpose of the acquisition, construction and improvement of certain municipal improvement projects to City voters.

BACKGROUND

In November 2017, the City Council directed staff to explore and consider specific revenue options in support of the Civic Center Master Plan facility improvements. The Council directed staff to engage polling services to determine the public support for a potential revenue measure and to help refine potential ballot measure language. In April 2018, the survey results were presented to the City Council. At that meeting, the Council expressed support for placing a general obligation bond measure on the general election ballot.

At both the June 5 and 19, 2018, meetings, the City Council considered text language to include in the 75-word ballot statement and Ordinance. Staff was given direction to revise the 75-word statement and ordinance considering Council's feedback and return to the July 17, meeting to present the revised documents. The Ordinance would require a second reading for adoption on July 31.

DISCUSSION

Ballot Statement

Based on the comments provided by the City Council at the June 19 meeting, and a review of the features that reflected the highest public priority in polling, staff refined the 75-word ballot statement to read as follows:

"To provide a police emergency operations center that is fully operational during a disaster and an innovative library in seismically safe, accessible, and energy-efficient facilities, meeting current safety codes,

shall the City of Campbell's measure to issue \$50,000,000 in general obligation bonds with projected levies of \$0.019 per \$100 (\$19 per \$100,000) of assessed value, generating an estimated average of \$3,025,000 annually to repay bonds through maturity, with citizen oversight and all funds spent locally, be adopted?"

City staff worked with its strategy and financial consultants, as well as bond counsel to revise the 75-word ballot statement and verify that the statement includes the required tax levy information.

Resolution of Necessity

The Resolution of Necessity (Attachment 1), required by California Government Code §43607 to be passed by a two-thirds vote of all Council members, determines that the public interest or necessity demands the acquisition, construction, or completion of the municipal improvements, and that the costs of the improvements will require an expenditure of the City greater than allowed by the City's annual levy.

Resolution Calling an Election

The Resolution Calling an Election (Attachment 2) will initiate proceedings for placing the Bond on the November 6, 2018 election. The Resolution also requests that the County consolidate the bond election with other elections held on November 6, 2018, the date of the Statewide general election, and includes information regarding the ballot proposition and purposes of the bonds.

Ordinance

The Ordinance (Attachment 3) includes information required by California Government Code §43610, including the object and purpose of bonds, the estimated costs of the improvements, and the manner of holding the election. In addition, the Ordinance will be provided to voters as part of the voter information guide.

Object and Purpose of Bonds – Features and Improvements

Section 3 of the Ordinance and Section 4 of the Resolution of Election provides more detail into the type of improvements that will be achieved with the proceeds from the bond issuance. At the June 19 meeting a bulleted list of features that ranked as the highest public priority features was presented to the City Council. The tracked changes (red font) below reflect the changes resulting from the City Council discussion and direction at that meeting. The attached Ordinance and Resolution Calling an Election incorporates these changes.

- ~~A police station and a library that are innovative, seismically safe and accessible;~~
- ~~Provide a~~ police operations and 9-1-1 emergency dispatch center that would remain fully operational during a disaster, would be seismically safe, would utilize up-to-date crime fighting technology, and be able to adapt to ~~future needs resulting from~~ new technology and operational ~~necessities~~standards;
- ~~Provide a~~ safe, energy-efficient library that meets earthquake and fire codes, ~~facilitating the collaborative and efficient use of space, which may result in longer operating hours,~~ with space for senior reading, after-school homework programs, children's story times and a children's collection, summer reading programs, and public access computers and computer lab, ensuring access for senior and disabled residents;
- ~~Refurbish and improve existing police department space for other City purposes~~~~Renovate existing police building for other City purposes if financially feasible to complete with bond proceeds.~~

Requested Direction

If the proposed is acceptable, the attached Resolution of Necessity (Attachment 1) and Resolution Calling Election (Attachment 2) are presented for adoption, and the attached Ordinance is presented for introduction and a first reading.

FISCAL IMPACT

The Santa Clara County Registrar of Voters estimates that the cost of the November 6, 2018 General Election to the City of Campbell is approximately \$99,300. This estimated cost would list the 3 City Council seats (6 candidates), and a one 6-page measure on the ballot. Should the general bond measure exceed 6-pages the following additional per page charges apply:

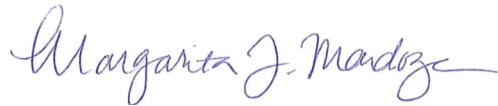
For Text Page of Measure in the Voter Guide	\$6,155
For Arguments	\$3,219
For Rebuttals	\$2,778

Staff also recommends the engagement of services of a specialized Bond Counsel to assist in the drafting of pertinent documents before and after the election, should the general obligation bond measure be adopted by the voters. It should be noted that bond counsel fees associated with the issuance of bonds following a successful election may be paid from bond proceeds. Alternatively, the Council may direct staff to use the City's Civic Center Master Plan Fund Reserve to cover these expenses.

ALTERNATIVES

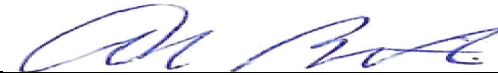
1. Provide specific alternate language to the 75-word ballot statement at the July 17 City Council meeting and include this language in the requisite Resolution and Ordinance.
2. Provide specific alternate language to the features and improvements contained in Section 3 of the Ordinance and Section 4 of the Resolution Calling Election.
3. Do not proceed with the placement of a general obligation bond measure on the November 6, 2018 General Election ballot.

Prepared by:



Margarita Mendoza, Administrative Analyst

Reviewed by:



Al Bito, Deputy City Manager

Approved by:



Brian Loventhal, City Manager

Attachment:

1. Resolution of Necessity
2. Resolution Calling Election
3. Campbell - Election Ordinance - Final

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY
DEMAND THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF
MUNICIPAL IMPROVEMENT PROJECTS, AND THEIR FINANCING
THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS**

WHEREAS, the City of Campbell (the "City") is authorized to issue general obligation bonds to finance municipal improvements pursuant to certain provisions of the California Government Code, including Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (collectively, the "Bond Law"); and

WHEREAS, the City intends to issue its general obligation bonds (the "Bonds") under and pursuant to the Bond Law to finance the cost of the acquisition, construction and improvement of certain property to be used for municipal purposes (the "Improvements"); and

WHEREAS, in order to initiate proceedings under the Bond Law to provide for the issuance of general obligation bonds, the City Council of the City (the "City Council") must make certain findings and determinations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMPBELL AS FOLLOWS:

Section 1. Declaration of Necessity to Issue Bonds. The public interest and necessity demand, and it is the intention of the City Council to require, the acquisition construction and improvement of the Improvements, and to issue the Bonds to finance the cost thereof, subject to completion of the proceedings required by the Bond Law.

Section 2. Findings. The City Council hereby finds and determines that the estimated costs of the Improvements will require an expenditure by the City greater than the amount allowed for it by the annual tax levy of the City. The principal amount of the Bonds will not exceed the estimated cost of the Improvements.

Section 3. Issuance of the Bonds. This Resolution is adopted, and the Bonds, if approved by two-thirds of all qualified voters voting on the issuance of the Bonds, are to be issued pursuant to the Bond Law.

Section 4. Effective Date. This Resolution shall take effect upon its adoption by two-thirds of all members of the City Council.

* * * * *

Attachment: Resolution of Necessity (1230 : Actions Related to the Submission of a General Bond Measure on the November 2018 General

PASSED AND ADOPTED this 17th day of July, 2018, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Paul Resnikoff, Mayor

ATTEST:

Wendy Wood, City Clerk

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
CALLING AN ELECTION, ORDERING THE SUBMISSION OF THE
PROPOSITION OF INCURRING BONDED INDEBTEDNESS TO THE
QUALIFIED VOTERS OF THE CITY AND MAKING CERTAIN
REQUESTS TO THE BOARD OF SUPERVISORS
OF THE COUNTY AND THE COUNTY REGISTRAR**

WHEREAS, on the date hereof, the City Council of the City of Campbell (the "City") adopted, by a two-thirds vote of all its members, a resolution entitled "Resolution of the City Council of the City of Campbell Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Certain Municipal Improvement Projects, and Their Financing Through the Issuance of General Obligation Bonds," pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the cost of acquisition, construction and improvement of municipal improvements (the "Improvements"); and

WHEREAS, the City Council of the City of Campbell (the "City") desires to submit to the approval of the qualified voters in the City the incurrence of bonded indebtedness for the purpose of financing the Improvements on November 6, 2018; and

WHEREAS, it is necessary to request that the Santa Clara County Board of Supervisors consolidate such election with the general election to be held on the same date; and

WHEREAS, the City Council desires to have the Santa Clara County Registrar of voters render certain services in connection with the consolidated election;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMPBELL AS FOLLOWS:

Section 1. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City a proposition on incurring bonded indebtedness (the "Bonds") for the purposes set forth in this Resolution, at the regular election to be held on November 6, 2018.

Section 2. Consolidation; Manner of Conducting Election. The bond election hereby called for November 6, 2018, is requested to be consolidated with any other election to be held within the City on said date. The election shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election with which it is consolidated, as specified herein. The Board of Supervisors of Santa Clara County and the Santa Clara County Registrar of Voters, are hereby requested to order the consolidation of the bond election hereby called with any other election to be held within the City on said date, held and conducted in the manner prescribed in Section 10418 of the California Elections Code.

Section 3. Ballot Proposition. The City Council hereby submits a measure to the qualified voters of the City, at the regular election to be held on November 6, 2018, pertaining to Ordinance _____ (the "Ordinance"), a proposition on issuing the Bonds. The exact form of the measure to appear on the ballot is as follows:

To provide a police emergency operations center that is fully operational during a disaster and an innovative library in seismically safe, accessible, and energy-efficient facilities, meeting current safety codes, shall the City of Campbell's measure to issue \$50,000,000 in general obligation bonds with projected levies of \$0.019 per \$100 (\$19 per \$100,000) of assessed value, generating an estimated average of \$3,025,000 annually to repay bonds through maturity, with citizen oversight and all funds spent locally, be adopted?	YES
	NO

Section 4. Object and Purpose of Bonds. The object and purpose of issuing the Bonds is to finance the costs of the Improvements.

The Improvements shall include, without limitation:

- A police station and a library that are innovative, seismically safe and accessible;
- A police operations and 9-1-1 emergency dispatch center that would remain fully operational during a disaster, would be seismically safe, would utilize up-to-date crime fighting technology, and be able to adapt to future needs resulting from new technology and operational standards;
- A safe, energy-efficient library that meets earthquake and fire codes, facilitating the collaborative and efficient use of space, which may result in longer operating hours, with space for senior reading, after-school homework programs, children's story times and a children's collection, summer reading programs, and public access computers and computer lab, ensuring access for senior and disabled residents;
- Renovate existing police building for other City purposes if financially feasible to complete with bond proceeds.

Each of the Improvements listed above includes all work necessary and incidental to the specific projects described above. Examples of such costs include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; interim facilities for municipal functions, including modular facilities; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law. The final cost of each Improvement will be determined as plans are finalized, construction bids are awarded, and projects are completed.

Section 5. Ordinance. The complete text of the Ordinance set forth as Exhibit A hereto shall be published in the ballot materials provided to the voters;

Section 6. Impartial Analysis. Pursuant to Section 9280 of the California Elections Code, the City Clerk is hereby directed to submit a copy of this ordinance to the City Attorney, and the City Attorney or a designee is hereby authorized and directed to prepare an impartial analysis of the ballot proposition showing the effect of the ballot proposition on the existing law and the operation of the ballot proposition. Such analysis shall be submitted by the City Attorney on or before August 20, 2018, shall not exceed 500 words in length and shall comply in all respects with applicable provisions of the California Elections Code.

Section 7. Ballot Arguments; Tax Rate Statement. As provided in Section 9282 of the California Elections Code, any and all members of the City Council are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument, and the City establishes August 13, 2018 as the deadline to file arguments for or against the measure with the City Clerk, and August 20, 2018 as the deadline to file rebuttal arguments with the City Clerk. In addition, pursuant to Section 9401 of the California Elections Code, the Finance Director of the City is hereby authorized to finalize and execute a Tax Rate Statement, and to file the Tax Rate Statement with the Santa Clara County Registrar of Voters.

Section 8. Ballots. The City Council hereby requests the Board of Supervisors of the County of Santa Clara to order the County Clerk and Registrar of Voters to:

- a. Set forth in all sample ballots that are to be mail to voters in the City the statement set forth in Section 3 of this Resolution, and to mail with the sample ballots copies of all arguments and rebuttals for and against the measure, as well as a copy of the full text of the Ordinance set forth in Exhibit A to this Resolution;
- b. Provide absent voter ballots for the special municipal election for use of the voters of the City that are entitled thereto, in the manner provided by law; and
- c. Prepare and supply indices to precinct information, assist in the canvass of returns, and provide services to complete the official canvass of returns.

Section 9. Canvass of Election. The City Council hereby authorizes the County Clerk and Registrar of Voters to canvass or cause to be canvassed, as provided by law, the returns of the general municipal election with respect to the votes cast on the measure, and to certify such canvass of the votes cast

Section 10. Transmittal of Resolution. The City Council hereby authorizes and directs the City Clerk to submit a certified copy of this Resolution to the County Clerk and Registrar of Voters for the County of Santa Clara, and to prepare, execute and transmit to the County all documents necessary to carry out the purposes of this Resolution;

Section 11. Measure Synopsis. The City Council hereby directs the City Clerk to publish a synopsis of the measure pursuant to Elections Code section 12111.