



## BAINBRIDGE ISLAND FIRE DEPARTMENT

## RESOLUTION NO. 11-2014

A RESOLUTION of the Board of Fire Commissioners of Bainbridge Island Fire Department, providing for the submission to the voters of the Department at a special election to be held on February 10, 2015, of a proposition authorizing the Department to issue general obligation bonds in the principal amount of no more than \$16,000,000, for the purpose of paying costs associated with rebuilding, remodeling and equipping three fire stations and acquiring necessary capital equipment, the principal of and interest on such bonds to be payable from annual excess property tax levies; designating the Business Administrator of the Department and bond counsel to receive notice of the ballot title from the Auditor of Kitsap County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF BAINBRIDGE ISLAND FIRE DEPARTMENT, as follows:

Section 1. Findings and Determinations. The Board of Fire Commissioners (the "Board") of Bainbridge Island Fire Department (the "Department") takes note of the following facts and hereby makes the following findings and determinations:

(a) The public interest, health, welfare and safety require that the Department rebuild two fire stations and remodel a station and acquire necessary capital equipment, all as more particularly defined and described in Section 2 (collectively, the "Projects"). The Projects are urgently required to correct the existing conditions.

(b) The Department lacks sufficient money with which to pay costs of the Projects.

(c) To pay costs of the Projects, it is necessary and advisable that the Department issue and sell unlimited tax general obligation bonds in the principal amount of no more than \$16,000,000 (the "Bonds"), or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness or required to carry out and accomplish the Projects.

(d) The Department is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State of Washington, including Section 39.36.050 of the Revised Code of Washington ("RCW"), RCW 52.16.080 and RCW 84.52.056, to submit to the Department's voters at a special election, for their approval or rejection, the proposition of whether the Department shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay the Bonds.

(e) The best interests of the Department and its residents require the Department to carry out and accomplish the Projects as hereinafter provided.

Section 2. Description of Projects. The Projects to be paid for with proceeds of the Bonds, including interest earnings thereon (“Bond Proceeds”), are more particularly defined and described as follows:

(a) Rebuild and equip the fire station on Madison Avenue on property owned by the Department, all as deemed necessary and advisable by the Board.

(b) Rebuild and equip the fire station on Bucklin Hill Road on property owned by the Department, all as deemed necessary and advisable by the Board.

(c) Renovate the existing fire station on Phelps Road, all as deemed necessary and advisable by the Board.

(d) Upgrade as necessary Department-wide communication and information systems, all as deemed necessary and advisable by the Board.

(e) Make other capital acquisitions and improvements, all as deemed necessary and advisable by the Board.

(f) Acquire, construct and install all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances in the foregoing, all as deemed necessary and advisable by the Board.

(g) Pay incidental costs incurred in connection with carrying out and accomplishing the Projects described above pursuant to RCW 52.16.080 and RCW 39.46.070. Such incidental costs shall be deemed part of the Projects and shall include: (1) costs related to the issuance, sale and delivery of the Bonds; (2) payments for fiscal and legal expenses; (3) costs of obtaining ratings and bond insurance; (4) costs of printing, advertising, establishing and funding accounts; (5) payment of interest due on the Bonds for up to six months after completion of construction; (6) necessary and related engineering, architectural, planning, consulting, inspection, permitting and testing costs; (7) administrative and relocation expenses; (8) site acquisition and improvement costs; (9) demolition costs; (10) costs related to demolition and/or deconstruction of existing facilities to recycle, reclaim and repurpose such facilities and/or building materials; (11) costs of on-site and off-site utilities and road improvements; and (12) costs of other similar activities or purposes, all as deemed necessary and advisable by the Board.

The Projects, or any portion or portions thereof, shall be acquired or made insofar as is practicable with available Bond Proceeds, together with any other money of the Department legally available therefor, and in such order of time as shall be deemed necessary and advisable by the Board. Subject to Section 6, the Board shall allocate the Bond Proceeds, together with any other money of the Department legally available therefor, between the various parts of the Projects so as to accomplish, as near as may be, all of the Projects. The Board shall determine the exact order, extent and specifications for the Projects. The Projects are to be more fully described in the plans and specifications to be filed with the Department.

Section 3. Calling of Election. The Auditor of Kitsap County, Washington, as *ex officio* Supervisor of Elections (the “Auditor”), is requested to call and conduct a special election in the Department, in the manner provided by law, to be held therein on February 10,

2015, in conjunction with the State General election to be held on the same date, for the purpose of submitting to the Department's voters, for their approval or rejection, the proposition of whether the Department shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay the Bonds.

If the proposition is approved by the requisite number of voters, the Department will be authorized to issue, sell and deliver the Bonds in the manner described in this resolution, spend the Bond Proceeds to pay costs of the Projects, and levy annual excess property taxes to pay the Bonds. The Bond Proceeds shall be used, either with or without additional money now available or hereafter available to the Department, for capital purposes only, as permitted by law, which shall not include the replacement of equipment.

Section 4. Authorization to Issue the Bonds. The Bonds authorized may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series, all as deemed necessary and advisable by the Board and as permitted by law. Further, the Bonds may be issued, as deemed necessary and advisable by the Board, as taxable bonds, tax-exempt bonds and/or any other type of tax credit bonds that are now or in the future may be authorized under applicable state and federal law.

Each series of the Bonds shall be issued as fully registered bonds; shall bear interest payable as permitted by law; shall mature within 20 years from the date of issuance of such series of the Bonds (but may mature on an earlier date or dates as fixed by the Board); shall be paid by annual property tax levies sufficient in amount to pay both principal and interest when due, which annual property tax levies shall be made in excess of regular property tax levies without limitation as to rate or amount but only in amounts sufficient to meet such payments of principal and interest as they come due; and shall be issued and sold in such manner, at such times and in such amounts as shall be required for the purpose for which each series of the Bonds are to be issued, all as deemed necessary and advisable by the Board and as permitted by law. The life of the Projects to be financed with the Bond Proceeds shall exceed the term of the respective series of Bonds that finance the Projects. Pending the issuance of any series of the Bonds, the Department may issue short-term obligations pursuant to chapter 39.50 RCW to pay for any portion of the costs of the Projects. Such obligations may be paid or refunded with Bond Proceeds.

The Board hereby authorizes and directs the Business Administrator of the Department (the "Business Administrator") to determine for each series of Bonds whether such series should be sold by private placement, or negotiated or competitive sale, and with respect to such series of Bonds that are to be sold by competitive sale, to: (a) specify a date and time of sale of such Bonds; (b) give notice of that sale; (c) determine any bid requirements and criteria for determining the award of the bid; (d) provide for the use of an electronic bidding mechanism if the Business Administrator deems electronic bidding to be beneficial to the Department; and (e) specify other matters in his or her determination necessary, appropriate or desirable to carry out the sale of the Bonds. Notwithstanding the foregoing, the amount, date, denominations, interest rates, payment dates, final maturity, redemption rights, price, and other terms and conditions of the Bonds (or parameters with respect thereto) shall be hereafter fixed by one or more resolutions of the Board authorizing the issuance, sale and delivery of such series of Bonds,

which resolutions may delegate to a Department officer or employee the authority to fix any of the foregoing, all as deemed necessary and advisable by the Board and as permitted by law.

If the Department receives voter approval to issue the Bonds in the manner described in this resolution, the Board authorizes and directs the Business Administrator to: (a) review and deem “final” (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission), if necessary and upon such official’s satisfaction, any preliminary official statement prepared in connection with the sale of each series of the Bonds by the Department; (b) authorize the deemed final preliminary official statement to be distributed prior to the date any underwriter or purchaser bids for, purchases, offers or sells each series of the Bonds; and (c) acknowledge in writing any action taken pursuant to clauses (a) and (b) of this paragraph.

Section 5.     Intent to Reimburse. The Board declares that to the extent, prior to the date the Bonds, or other bonds or obligations (which includes the Bonds, or other bonds or obligations issued as tax-exempt bonds and/or tax credit bonds) are issued to pay costs of the Projects, the Department shall make capital expenditures for the Projects from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the Department under its existing and reasonably foreseeable budgetary and financial circumstances to pay costs of the Projects, those capital expenditures are intended to be reimbursed out of the Bond Proceeds, or proceeds of other bonds or obligations, issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 6.     Sufficiency of Bond Proceeds. If Bond Proceeds are more than sufficient to carry out and accomplish the Projects, the Department may use such excess Bond Proceeds to retire and/or defease a portion of the Bonds or other outstanding bonds of the Department, all as deemed necessary or advisable by the Board and as permitted by law. In the event that the Bond Proceeds, together with any other money of the Department legally available therefor, are insufficient to carry out and accomplish all of the Projects, the Department shall use the Bond Proceeds and other available money for paying the cost of that portion of the Projects that is deemed by the Board most necessary and in the best interest of the Department.

Section 7.     Alteration of Expenditures. If the Board shall subsequently determine that state or local circumstances, including changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects, the Department shall not be required to accomplish all of the Projects and may apply the Bond Proceeds (or any portion thereof) to: (a) other portions of the Projects and/or (b) retire and/or defease a portion of the Bonds or other outstanding bonds of the Department, all as deemed necessary or advisable by the Board.

Section 8.     Form of Ballot Title. Pursuant to RCW 29A.36.071, the Kitsap County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

BAINBRIDGE ISLAND FIRE DEPARTMENT

BONDS FOR FIRE STATIONS AND CAPITAL EQUIPMENT

The Board of Fire Commissioners of Bainbridge Island Fire Department adopted Resolution No. 11-2014, concerning a proposition to finance fire stations and capital equipment. This proposition would authorize the Department to rebuild two fire stations and renovate an existing fire station, acquire capital equipment, and upgrade Department-wide communication and information systems; issue no more than \$16,000,000 of general obligation bonds maturing within 20 years; and levy annual excess property taxes to pay the bonds, all as provided in Resolution No. 11-2014. Should this proposition be:

Approved .....

Rejected .....

Section 9. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary of the Board (the “Secretary”) or his designee is directed to: (a) present a certified copy of this resolution to the Auditor no later than December 26, 2014; and (b) perform such other duties as are necessary or required by law to submit to the Department’s voters at the aforesaid special election, for their approval or rejection, the proposition of whether the Department shall issue the Bonds to pay costs of the Projects and levy annual excess property taxes to pay the Bonds.

Section 10. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the Business Administrator (Susan Cohen), telephone: 206.842.7686; fax: 206.842.7695; email: [scohen@bifd.org](mailto:scohen@bifd.org); and (b) bond counsel, Foster Pepper PLLC (Marc Greenough), telephone: 206.447.7888; fax: 206.749.2088; email: [greem@foster.com](mailto:greem@foster.com), as the individuals to whom the Auditor shall provide such notice. The Business Administrator is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the Kitsap County Prosecuting Attorney.

Section 11. Authorization of Local Voters’ Pamphlet. To the extent a local voters’ pamphlet and/or online voters’ guide (the “Pamphlet”) will be produced for the February 10, 2015 election, the preparation and distribution of information on the ballot title for inclusion the Pamphlet is hereby authorized. The Pamphlet shall include, if applicable, an explanatory statement and statements in favor of and in opposition to the ballot title. The preparation of explanatory statement, the appointment of pro/con committees, the preparation of statements in favor of and in opposition to the ballot title, and the payment of the costs of the Pamphlet shall be in accordance with chapter 29A.32 RCW and the rules and guidelines of the Auditor, as applicable.

Section 12. General Authorization and Ratification. The Fire Chief, the Business Administrator, the Chair of the Board, the Secretary of the Board, the other appropriate officers

of the Department and bond counsel, Foster Pepper PLLC, are severally authorized and directed to take such actions and to execute such documents as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are hereby ratified and confirmed in all respects.

Section 13. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds or of the levy or collection of the taxes pledged to pay and retire the Bonds.

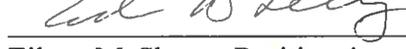
Section 14. Effective Date. This resolution shall become effective immediately upon its adoption.

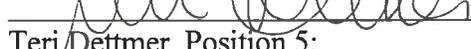
ADOPTED by the Board of Fire Commissioners of Bainbridge Island Fire Department at a regular open public meeting thereof, of which due notice was given as required by law, held this 11th day of December, 2014, the following Commissioners being present and voting in favor of the resolution.

  
\_\_\_\_\_  
Scott R. Isenman, Position 1: In favor /  Opposed / Abstained / Absent

  
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YongSuk Cho, Position 2: In favor /  Opposed / Abstained / Absent

  
\_\_\_\_\_  
Dan Morrow, Position 3: In favor /  Opposed / Abstained / Absent

  
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Eileen McSherry, Position 4: In favor /  Opposed / Abstained / Absent

  
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Teri Dettmer, Position 5: In favor /  Opposed / Abstained / Absent

ATTEST:  
  
\_\_\_\_\_

Henry A. Teran  
Secretary of the Board