



**City Council
Successor Redevelopment Agency
Financing Authority
Housing Authority**

AGENDA

Wednesday

Special

**Closed Session 5:30 p.m.
Regular Session 6:00 p.m.**

January 23, 2013

**City Hall
100 West California Avenue
Ridgecrest CA 93555**

(760) 499-5000

**Daniel O. Clark, Mayor
Jason Patin, Mayor Pro Tempore
Marshall 'Chip' Holloway, Vice Mayor
James Sanders, Council Member
Lori Acton, Council Member**

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LAST ORDINANCE NO. 13-xx
LAST RESOLUTION CITY COUNCIL NO. 13-xx
LAST RESOLUTION FINANCING AUTHORITY NO. 13-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 13-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 13-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Special Council
Wednesday January 23, 2013

CITY COUNCIL CHAMBERS CITY HALL
100 West California Avenue
Ridgecrest, CA 93555

Closed Session – 5:30 p.m.
Special Session – 6:00 p.m.

This meeting room is wheelchair accessible. Persons with other disabilities may arrange accommodation with the City Clerk by calling (760) 499-5002 five working days in advance of the meeting.

Pursuant to SB 343, City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT – CLOSED SESSION

AGENDA - CITY COUNCIL - REGULAR

January 23, 2013

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CLOSED SESSION

GC54956.9 (B) Conference with Legal Counsel - Potential Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest And The Ridgecrest Redevelopment Successor Agency. Agency Negotiators Interim City Manager Dennis Speer, Redevelopment Consultant Jim McRea, Economic Development Program Manager Gary Parsons

SPECIAL SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

CONSENT CALENDAR

1. Approve A Resolution Setting A Date And Time For A Public Hearing For Unmet Transit Needs Speer
2. Ridgecrest Redevelopment Successor Agency Annual Report and Status Update Parsons
3. Approve Draft Minutes Of The Regular City Council Meeting Dated December 19, 2012 Ford

DISCUSSION AND OTHER ACTION ITEMS

4. Appointments to Council Boards and Commissions Clark
5. Consideration and Discussion of Measure L Committee Re-visioning Clark

COMMITTEE REPORTS

City Organization

Members: Dan Clark, Jim Sanders
Meeting: 2nd Tuesday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: February 12, 2013

AGENDA - CITY COUNCIL - REGULAR

January 23, 2013

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Community Development Committee

Members: Jason Patin, Chip Holloway
Meetings: 1st Thursday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: February 7, 2013

Infrastructure Committee

Members: Dan Clark, Jason Patin
Meeting: 2nd Wednesday Of The Month At 5:00 P.M., Council Conference Room
Next Meeting: February 13, 2013

Quality Of Life

Members: Chip Holloway, Lori Acton
Meeting: 2nd Thursday Of The Month At 5:00 P.M.; Kerr-McGee Center
Next Meeting: February 14, 2013 (Dark in June, July, December, and January)

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: Jim Sanders, Jason Patin
Meetings: 2nd Monday Of Odd Numbered Months At 4:00 P.M., Kerr-McGee Center
Next Meeting: March 11, 2013

Veterans Advisory Committee

Members: Jason Patin, Lori Acton
Meetings: To Be Announced
Next Meeting: To Be Announced

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Jason Patin, Chip Holloway
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: February 6, 2013 at location to be announced

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

CITY MANAGER REPORT

MAYOR AND COUNCIL COMMENTS

ADJOURNMENT

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: A Resolution of the City of Ridgecrest City Council setting a Public Hearing for Unmet Transit Needs.

PRESENTED BY:

Dennis Speer, Public Work Director

SUMMARY:

The Transportation Development Act of 1971 (TDA), as amended provides for the disbursement of funds from the Local Transportation Fund for various eligible transportation uses. The funds are distributed by the Kern Council of Governments (KCOG), in its capacity as the Regional Transportation Planning Agency. An eligible claimant wishing to receive TDA funding through KCOG must conduct an annual review of the transit needs of the individuals and groups in the community. This year's submittal of the Public Hearing documentation is due to Kern Council of Government by the end of April 2013. Subsequently, a public hearing must be held before the end of April 2013.

Since the public hearing must be duly noticed for thirty days prior to the public hearing date, staff is requesting that the hearing be scheduled for the Council Meeting of March 6, 2013 at 6:00 p.m.

FISCAL IMPACT: None

Reviewed by Finance Director

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Approves the Resolution 13 - , that sets the public hearing for Unmet Transit Needs, approves the Notice of Public Hearing, and directs the City Clerk to publish the notice.

Submitted by: Dennis Speer
(Rev. 02/13/12)

Action Date: January 23, 2013

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RESOLUTION NO. 13-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST SETTING THE PUBLIC HEARING FOR UNMET TRANSIT NEEDS FINDINGS

WHEREAS, the City of Ridgecrest receives Transportation Development Act funds for various transportation uses; and

WHEREAS, a public hearing must be held to determine if there are any “Unmet Needs that are Reasonable to Meet” in the public transportation system; and

WHEREAS, a Notice of Public Hearing must be published thirty days prior to the hearing date; and

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Ridgecrest, does hereby set the public hearing for unmet transit needs for March 6, 2013 at 6:00 pm, approve the Notice of Public Hearing, and direct the City Clerk to publish the notice.

ADOPTED, AND APPROVED, this 23rd day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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January 23, 2013

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING WILL BE HELD BEFORE THE CITY OF RIDGECREST CITY COUNCIL IN THE COUNCIL CHAMBERS OF CITY HALL, 100 W. CALIFORNIA AVENUE, RIDGECREST, CALIFORNIA ON WEDNESDAY, MARCH 6, 2013 AT 6:00 P.M. OR AS SOON THEREAFTER AS THE MATTERS MAY BE HEARD.

UNDER CONSIDERATION WILL BE a public hearing to receive comments related to unmet and reasonable transit needs in the City of Ridgecrest and the surrounding county areas services by the Ridgecrest Transit System.

Kern COG is required to define “unmet needs” and “reasonable to meet,” and has defined them by resolution 90-04.

Unmet needs:

An unmet need exists if an individual or any age or physical condition is unable to transport him or herself due to deficiencies in the existing transportation system. Excluded are (1) those request for minor operational improvements, and (2) those improvements funded and scheduled for implementation in the following fiscal year.

Reasonable to meet:

- A. Operational feasibility. The requested improvement must be safe to operate and there must be adequate roadways for transit vehicles.
- B. Duplication of Service. The proposed services shall not duplicate other transit services.
- C. Timing. The proposed service shall be in response to an existing, rather than a future need.
- D. Service must meet the legally required farebox ratio (PUC Sections 99288.2, 99288.5 and CAC Sections 8833.2, 8833.5 with fares of similar service.

All interested persons are invited to attend and present testimony.

CITY OF RIDGECREST

Rachel J. Ford, CMC, City Clerk

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CITY COUNCIL / REDEVELOPMENT SUCCESSOR AGENCY / FINANCING
AUTHORITY AGENDA ITEM

SUBJECT:

The Annual Report Of The Ridgecrest Redevelopment Agency And The Ridgecrest Redevelopment Successor Agency For FY 2011-2012 Is Presented To The City Council For Its Review And Acceptance In Accordance With Section 33080 Of The Health & Safety Code.

PRESENTED BY:

Gary Parsons

SUMMARY:

The Ridgecrest Redevelopment Agency files an Annual report with the State Controller's Office by January 01, 2013. Section 33080.1 of the Health & Safety Code requires that the Ridgecrest Redevelopment Agency and the Ridgecrest Redevelopment Successor Agency shall submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body within 30 days of receipt of that audit report. In addition, every Redevelopment Agency shall present an annual report to its legislative body within six months of the end of the Agency's fiscal year.

A copy of the Annual Report is attached. It would be appropriate to review and accept as presented. It is noted that pursuant to AB1X 26 Redevelopment Agencies are dissolved and replaced with Successor Agencies responsible for winding down the affairs of the Redevelopment Agencies, including disposing of their assets. Upon the effective date of the legislation (June 29, 2011) Redevelopment Agencies can no longer incur indebtedness, amend or modify existing agreements, increase pay, pay bonuses or hire employees, refund, restructure or refinance bonds or transfer money out of the Low and Moderate Income Housing Fund.

AB1X 26 was held by the California Supreme Court to be largely constitutional on December 29, 2011.

The Legislature passed and the Governor signed AB1484 on June 27, 2012 which took effect immediately as a budget trailer bill and made technical and substantive amendments to the Dissolution Act.

Therefore:

The authority of the Dissolved Ridgecrest Redevelopment Agency (RRA) to undertake most new activities was suspended as of the effectiveness of the Dissolution Act, June 27, 2011. The Dissolved RRA went out of existence on February 1, 2012. As a result of ABx1 26 and AB1484 no new activities, agreements, or projects have been undertaken by the RRA or RRSA.

FISCAL IMPACT:

Annual fiscal report and audit.
Reviewed by Finance Director

ACTION REQUESTED:

Appropriate discussion and direction to Successor Agency staff.
Motion to receive and file.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Review and Comment :

Submitted by: Gary Parsons
(Rev 6-12-09)

Action Date: 01-23-2013

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Successor Agency to the Ridgecrest Redevelopment Agency

Ridgecrest, California

*Financial Statements
and Independent Auditors' Report*

For the five months ended June 30, 2012

Successor Agency to the Ridgecrest Redevelopment Agency
Financial Statements
For the five months ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Governing Board and Oversight Committee
of the Successor Agency to the Ridgecrest Redevelopment Agency
Ridgecrest, California

We have audited the accompanying statement of fiduciary net assets of the Successor Agency to the Ridgecrest Redevelopment Agency (the "Successor Agency"), as of June 30, 2012 and the related statement of changes in fiduciary net assets for the five months then ended, as listed in the table of contents. These financial statements are the responsibility of the Successor Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Successor Agency was formed to aid in dissolving the former Ridgecrest Redevelopment Agency.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the fiduciary net assets of the Successor Agency as of June 30, 2012, and the changes fiduciary net assets for the five months then ended in conformity with accounting principles generally accepted in the United States of America.

PUN & McGEADY LLP

San Diego, California
December 20, 2012

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FINANCIAL STATEMENTS

Successor Agency to the Ridgecrest Redevelopment Agency
Statement of Fiduciary Net Assets
June 30, 2012

ASSETS

Current assets:	
Cash and investments	\$ 40,342,313
Investments with fiscal agents	3,446,057
Interest receivable	36,824
Deferred charges, net	<u>244,034</u>
Total current assets	<u>44,069,228</u>
Noncurrent assets:	
Capital assets:	
Non-depreciable	2,202,440
Depreciable, net	<u>2,997,866</u>
Total noncurrent assets	<u>5,200,306</u>
Total assets	<u>49,269,534</u>

LIABILITIES

Current liabilities:	
Accounts payable	26
Deposits payable	2,000
Bonds Payable - due within one year	<u>1,680,000</u>
Total current liabilities	<u>1,682,026</u>
Noncurrent liabilities:	
Advances from City of Ridgecrest	9,578,774
Bonds payable - due in more than one year	<u>30,473,243</u>
Total noncurrent liabilities	<u>40,052,017</u>
Total liabilities	<u>41,734,043</u>

NET ASSETS (DEFICIT)

Net assets (deficit) held in trust	<u><u>\$ 7,535,491</u></u>
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Successor Agency to the Ridgecrest Redevelopment Agency
Statement of Changes in Fiduciary Net Assets
For the five months ended June 30, 2012

ADDITIONS:

Taxes	\$ 1,075,743
Intergovernmental	119,656
Revenue from use of money and property	80,475
Other revenue	4,480
	1,280,354
Total additions	1,280,354

DEDUCTIONS:

Community development	292,164
Depreciation expense	142,865
Interest expense	811,213
Transfer to the City of Ridgecrest (Note 8)	571,414
	1,817,656
Total deductions	1,817,656

Net changes in net assets	(537,302)
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NET ASSETS:

Beginning of year	-
Transfer of operations of the dissolved Ridgecrest Redevelopment Agency (Note 1)	8,072,793
End of year	\$ 7,535,491

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NOTES TO FINANCIAL STATEMENTS

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Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements
For the five months ended June 30, 2012

1. FINANCIAL REPORTING ENTITY

On December 29, 2011, the California Supreme upheld Assembly Bill X1 26 (the "Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Ridgecrest that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 12-12.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the Department of Finance and State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Successor Agency was activated on February 1, 2012. The City Council of the City of Ridgecrest serves as the governing body of the Successor Agency and exercises all rights, powers, duties and privileges of the Successor Agency. The primary purpose of the Successor Agency is to wind down the affairs of the dissolved Ridgecrest Redevelopment Agency (the "Agency") and to, among other things, make payments due for enforceable obligations, perform obligations required pursuant to any enforceable obligation, dispose of all assets of the former Agency, and to remit unencumbered balances of the Agency, including housing funds, to the County Auditor-Controller for distribution to taxing entities.

Successor Agency to the Ridgcrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

1. FINANCIAL REPORTING ENTITY, Continued

The assets and liabilities transferred from the dissolved Agency to the Successor Agency on February 1, 2012 were as follows:

Balance as of January 31, 2012 (modified accrual basis):	
Housing Set-Aside Special Revenue Fund	\$ 4,244,948
Redevelopment Agency Debt Service Fund	28,647,117
Redevelopment Agency Capital Projects Fund	<u>3,345,707</u>
Extraordinary loss - Governmental Fund	<u>36,237,772</u>
Reconciliation to accrual basis at February 1, 2012:	
Deferred charges	247,999
Capital assets, net	5,343,173
Interest payable	(159,193)
Long-term debt	<u>(33,596,958)</u>
Total	<u>(28,164,979)</u>
Balance as of February 1, 2012 (accrual basis)	<u>8,072,793</u>
Extraordinary loss - Government-Wide	<u>\$ 8,072,793</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts of the Successor Agency are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Successor Agency's Financial Statements include a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. The Financial Statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, property taxes and investment income are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Investments

The Successor Agency's investments are stated at fair value, except for interest-earning contracts. Fair value is based on quoted market prices as of the valuation date. The gain/loss resulting from valuation is reported as "investment income" in the Statement Changes in Fiduciary Net Assets.

The Successor Agency's policy is to hold investments until maturity, or until fair values equal or exceed cost. The Successor Agency's portfolio did not hold investments in any of the following: items required to be reported at amortized cost, items in external pools that are not SEC-registered, items subject to involuntary participation in an external pool, and items associated with a fund other than the fund to which the income is assigned.

C. Property Taxes

The Successor Agency's primary source of revenue comes from property taxes. The assessed valuation of all property within each project area was determined on the date of adoption of the Project Area. Except for certain amounts provided by specific agreement, property taxes related to the incremental increase in assessed values after the adoption of the Project Area have been allocated to the Successor Agency, while all property taxes on the "frozen" assessed valuation as of the adoption date have been allocated to the City and other districts.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1 and become delinquent on December 11 and April 11. The County bills and collects the property taxes and allocates installments to various jurisdictions throughout the year.

The County is permitted by California State constitution, as amended, to levy taxes at 1% of full market value (assessed value). The growth in the full market value is limited to 2% annually and the value of new construction and improvements. The Successor Agency receives a share of this basic levy resulting from incremental growth of the assessed value over a base value established when the Agency project area was formed or amended.

D. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions and affect certain reported amounts and disclosure. Accordingly, results could differ from those estimates.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g. road, sidewalks, and similar items), are reported in the applicable governmental activities in the Government-Wide Financial Statements. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. Agency policy has set the capitalization threshold for reporting infrastructure at \$100,000; all other capital assets are set at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets. Building and improvements have an estimated useful life of 15 to 50 years.

3. CASH AND INVESTMENTS

Cash, cash equivalents, and investments at June 30, 2012 are classified in the accompanying financial statements as follows:

Cash and investments	\$	40,342,313
Investments with fiscal agent		3,446,057
Total cash and investments		\$ 43,788,370

Cash, cash equivalents, and investments at June 30, 2012 consist of the following:

Cash and cash equivalents:		
Demand deposits	\$	155,539
Money market mutual funds		3,446,057
Investments:		
Local Agency Investment Fund		40,186,774
Total		\$ 43,788,370

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

A. *Investments Authorized by the California Government Code and the Successor Agency's Investment Policy*

Under the provisions of the Successor Agency's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Securities of the U.S. Government or its agencies.
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies.
- Negotiable Certificates of Deposit.
- California Local Agency Investment Fund.
- Investment-grade obligations of state, local governments or public authorities.
- Money market mutual funds.
- Passbook savings account and demand deposits.

No current adjustments have been made to the accompanying financial statements because the Successor Agency's investments were primarily in the State of California Local Agency Investment Fund and the fair value adjustment was immaterial. The fair value of the Successor Agency's position in LAIF approximates the value of the pool shares.

B. *Investment in State Investment Pool*

The Successor Agency is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Successor Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Successor Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Successor Agency's investments with LAIF at June 30, 2012, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2012, the Successor Agency had \$ 40,186,774 invested in LAIF, which had invested 3.47% of the pool investment funds in Structured Notes and Asset-Backed Securities.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

3. CASH AND INVESTMENTS, Continued

C. Risk Disclosure

Interest Rate Risk

Interest Rate Risk is the risk that the market value of investments in the portfolio will fall due to changes in market interest rates. The Successor Agency has an investment policy of lengthening its maturities when rates are falling and shortening its maturities when rates are rising as a means of managing its exposure to fair value losses and to take advantage of favorable interest rates. The Successor Agency's operating funds are primarily invested in State of California Local Agency Investment Fund, money market mutual funds, or similar investment pools to ensure liquidity.

<u>Investment Type</u>	<u>Amount</u>	<u>Maturities</u> <u>1 year or less</u>
Cash and cash equivalents:		
Demand deposits	\$ 155,539	\$ 155,539
Money market mutual funds	3,446,057	3,446,057
Investments:		
Local Agency Investment Fund	40,186,774	40,186,774
Total	\$ 43,788,370	\$ 43,788,370

Credit Risk

Credit Risk is the risk of loss due to failure of the security issuer. The risk can be identified thru the rating assigned by a nationally recognized statistical rating organization to the issuers of securities. The Successor Agency minimizes this risk by investing only on type of investments allowed for municipalities by the Government Code as listed on the Successor Agency's investment policy and investing only on instruments that are most credit worthy.

	<u>Amount</u>	<u>Credit Quality Ratings</u>	
		<u>Moody's</u>	<u>Standard & Poor's</u>
Investments:			
Local Agency Investment Fund	\$ 40,186,774	Not Rated	Not Rated
Total	\$ 40,186,774		

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Successor Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the Successor Agency's investments were subject to custodial credit risk.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

4. LOAN PROGRAM

At June 30, 2012, the outstanding balance of the loan program is as follows:

	Balance July 1, 2011	Transfer from former Ridgecrest Redevelopment Agency	Additions	Deletions	Transfer to City	Balance June 30, 2012
Loans receivables:						
High Desert loans	\$ -	\$ 297,739	\$ -	\$ (2,982)	\$ (294,757)	\$ -
Globe Protect	-	50,978	-	-	-	50,978
AMG loan	-	3,000,000	-	-	-	3,000,000
Other loans	-	7,700	-	-	-	7,700
Subtotal	-	3,356,417	\$ -	\$ (2,982)	(294,757)	3,058,678
Less: Allowance for uncollectible	-	(3,058,678)			-	(3,058,678)
	<u>\$ -</u>	<u>\$ 297,739</u>			<u>\$ (294,757)</u>	<u>\$ -</u>

On December 15, 2011, the Agency entered into an agreement for the development of affordable rental project with developer. The Agency loaned the developer \$3,000,000 (AMG loan) bearing simple interest at 4% per year. On February 1, 2012, total outstanding loans receivable in the amount of \$297,739, net of allowance for uncollectible in the amount of \$3,058,678, was transferred to the Successor Agency due to the dissolution of the Agency. On May 7, 2012, the oversight board to the Successor Agency approved the transfer of all the loans to the Ridgecrest Housing Authority. However, only \$294,757 of the loans were approved by the California Department of Finance and were transferred. At June 30, 2012, loans receivable was \$0, net of allowance for uncollectible in the amount of \$3,058,678.

5. ADVANCES FROM CITY OF RIDGECREST

At June 30, 2012, the City had advanced the Successor Agency \$9,578,774.

On November 1, 2005, the City and the Ridgecrest Redevelopment Agency have entered into a reimbursement agreement, pursuant to which the Ridgecrest Redevelopment Agency has agreed to reimburse the City for all Lease payments. The Ridgecrest Redevelopment Agency's reimbursement obligation is secured by a pledge of certain tax increment revenues arising in the Ridgecrest Redevelopment Agency's Ridgecrest Redevelopment Project. Certain outstanding and future bonds of the Ridgecrest Redevelopment Agency have or may have a claim on tax increment revenues that is senior to the Ridgecrest Redevelopment Agency's reimbursement obligation under the Reimbursement Agreement. On February 1, 2012, the outstanding balance in the amount of \$7,269,159 was transferred to the Successor Agency due to the dissolution of the Ridgecrest Redevelopment Agency. At June 30, 2012, the outstanding balance of the agreement was \$6,874,159.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

5. ADVANCES FROM CITY OF RIDGECREST, Continued

On June 19, 2002, the City's Wastewater Improvement Enterprise Fund loaned the Ridgecrest Redevelopment Agency Fund \$2,000,000 for the purpose of paying costs and expenses in connection with implementing the redevelopment plan. The loan is to be repaid over 10 years. On February 1, 2012, the outstanding balance in the amount of \$200,000 was transferred to the Successor Agency due to the dissolution of the Ridgecrest Redevelopment Agency. At June 30, 2012, the outstanding balance of the agreement was \$200,000.

The annual requirements to amortize the note are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 200,000	\$ 10,000	\$ 210,000
Total	\$ 200,000	\$ 10,000	\$ 210,000

On June 16, 2010, per resolution 10-49, the City Council and the Ridgecrest Redevelopment Agency Board approved the funding of the construction of the Ridgecrest Photovoltaic Solar Energy Production Field. The field is located at 125 South Warner St., also known as the Helmer's Park. This 495.9 kW DC Solar Photovoltaic System is designed to produce 90% of the Civic Center's current annual electrical power consumption and decrease the Center's energy bill by more than \$136,000 annually. The resolution also authorized the Ridgecrest Redevelopment Agency to borrow money from the Wastewater Improvement Fund to finance the construction cost of the solar field which amounted to \$3,123,000, to be paid in 5 years at the interest rate of 1/2% per annum. On February 1, 2012, the outstanding balance in the amount of \$2,504,615 was transferred to the Successor Agency due to the dissolution of the Ridgecrest Redevelopment Agency. At June 30, 2012, the outstanding balance of the agreement was \$2,504,615.

The annual requirements to amortize the note are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 621,477	\$ 12,523	\$ 634,000
2014	624,585	9,416	634,001
2015	627,707	6,293	634,000
2016	630,846	3,154	634,000
Total	\$ 2,504,615	\$ 31,386	\$ 2,536,001

Successor Agency to the Ridgcrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

6. CAPITAL ASSETS

The summary of changes in capital assets for the year ended June 30, 2012 is as follows:

	Balance January 31, 2012	Transfers from former Ridgcrest Redevelopment Agency	Additions	Deletions	Balance June 30, 2012
Non-depreciable assets:					
Land	\$ -	\$ 2,202,440	\$ -	\$ -	\$ 2,202,440
Total non-depreciable assets	-	2,202,440	-	-	2,202,440
Depreciable assets:					
Building and improvements	-	12,092,609	-	-	12,092,609
Less Accumulated depreciation:					
Building and improvements	-	(8,951,876)	(142,867)	-	(9,094,743)
Total depreciable assets, net	-	3,140,733	(142,867)	-	2,997,866
Total	\$ -	\$ 5,343,173	\$ (142,867)	\$ -	\$ 5,200,306

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions for the five months ended June 30, 2012:

	Balance January 1, 2012	Transfers from former Ridgcrest Redevelopment Agency	Deletions	Balance June 30, 2012	Due within One Year	Due in more than One Year
Long-term debt:						
2002 Tax Allocation Refunding Bonds	\$ -	\$ 905,000	\$ (440,000)	\$ 465,000	\$ 465,000	\$ -
2010 Tax Allocation Refunding Bonds	-	33,375,000	(1,015,000)	32,360,000	1,215,000	31,145,000
Subtotal	-	34,280,000	(1,455,000)	32,825,000	1,680,000	31,145,000
Add (Less) Deferred amounts:						
Bond discount	-	(683,042)	11,285	(671,757)	-	(671,757)
Total long-term liabilities	\$ -	\$ 33,596,958	\$ (1,443,715)	\$ 32,153,243	\$ 1,680,000	\$ 30,473,243

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

7. LONG-TERM DEBT, Continued

A. 2002 Tax Allocation Refunding Bonds

Proceeds from the \$4,475,000 2002 Tax Allocation Refunding Bonds were issued to refund the 1993 Tax Allocation Refunding Bonds. The bonds issued are due in annual installments ranging from \$310,000 to \$465,000 through June 30, 2013. Interest rates range from 2% to 5% and is paid semi-annually. Bonds outstanding at January 31, 2012 were \$905,000 and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 465,000	\$ 23,250	\$ 488,250
Total	\$ 465,000	\$ 23,250	\$ 488,250

B. 2010 Tax Allocation Refunding Bonds

On July 8, 2010, the Agency issued the 2010 Tax Allocation Refunding Bonds to provide funds to refund the 1999 Tax Allocation Bonds of the Agency, to fund a debt service reserve account and to pay the costs of issuing the bond. The current refunding fully refunded the 1999 Tax Allocation Bonds and the 1999 Tax Allocation Bonds were removed from the Agency's long-term debt in 2011. There was an economic gain in the amount of \$59,787 as a result of the current refunding.

The 2010 Tax Allocation Refunding bonds are comprised of \$11,680,000 serial bonds and three term bonds total to \$22,700,000. Principal on serial bonds mature in amounts from \$1,005,000 to 1,215,000 through June 30, 2021. Interest on the bonds is payable semi-annually at rates ranging from 3% to 5.5%. The three term bonds maturing on June 30, 2024 (bearing interest at 5.375%) and June 30, 2037 (bearing interest at 6.125% and 6.25%), are subject to mandatory redemption on each June 30, commencing on June 30, 2022, and June 30, 2025, respectively, at a redemption price equal to the principal amount with accrued interest to the redemption date, without premium, ranging from \$420,000 to \$1,035,000. Bonds and related deferred cost of issuance and bond discount outstanding at January 31, 2012 were \$33,375,000, \$247,999 and \$683,042, respectively, and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

Successor Agency to the Ridgecrest Redevelopment Agency
Notes to Financial Statements, Continued
For the five months ended June 30, 2012

7. LONG-TERM DEBT, Continued

C. 2010 Tax Allocation Refunding Bonds, Continued

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 1,215,000	\$ 1,824,461	\$ 3,039,461
2014	1,085,000	1,788,011	2,873,011
2015	1,070,000	1,751,393	2,821,393
2016	1,055,000	1,711,268	2,766,268
2017	1,055,000	1,658,518	2,713,518
2018-2022	5,215,000	7,466,608	12,681,608
2023-2027	5,560,000	6,055,869	11,615,869
2028-2032	7,765,000	4,043,106	11,808,106
2033-2037	8,340,000	1,565,344	9,905,344
Total	\$ 32,360,000	\$ 27,864,578	\$ 60,224,578

8. TRANSFERS TO THE CITY OF RIDGECREST

During the five months period ended June 30, 2012, the Successor Agency made the following transfers to the City: 1) \$250,000 for the administrative allowance for the Redevelopment Agency dissolution and \$60,334 of it for the Housing Authority, 2) \$176,628 to City Debt Service Fund for the lease payment to the 2005 Certificate of Participation Bonds, and 3) \$144,786 to the General Fund for the redevelopment funding of three police officers. Total transferred was in the amount of \$571,414 and is subject to the review by the California Department of Finance.

9. COMMITMENTS AND CONTINGENCIES

Review by State of California, Department of Finance

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirement of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the Successor Agency.

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**City of Ridgecrest
RRA and RRSA Annual Report
Fiscal Year Ending June 30, 2012**

The Annual Report of the Ridgecrest Redevelopment Agency and the Ridgecrest Redevelopment Successor Agency for FY 2011-2012 is presented to the City Council for its review and acceptance in accordance with Section 33080 of the Health & Safety Code.

Pursuant to the requirements, the agency shall file with the Controller within six months of the end of the agency's fiscal year a copy of the report required by Section 33080.1. In addition, each redevelopment agency shall file with the department a copy of the audit report required by subdivision (a) of Section 33080.1. The reports shall be made in the time, format, and manner prescribed by the Controller after consultation with the department.

The Ridgecrest Redevelopment Agency shall further provide a copy of the report required by Section 33080.1, upon the written request of any person or any taxing agency. This report does not include detailed information regarding administrative costs, professional services, or other expenditures, the person or taxing agency may request, and the redevelopment agency shall provide, that information. The person or taxing agency shall reimburse the redevelopment agency for all actual and reasonable costs incurred in connection with the provision of the requested information.

Pursuant to AB1X 26 redevelopment agencies are dissolved and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. Upon the effective date of the legislation (June 29, 2011) Redevelopment agencies can no longer incur indebtedness, amend or modify existing agreements, increase pay, pay bonuses or hire employees, refund, restructure or refinance bonds or transfer money out of the Low and Moderate Income Housing Fund.

AB1X 26 was held by the California Supreme Court to be largely constitutional on December 29, 2011.

The Legislature passed and the Governor signed AB1484 on June 27, 2012 which took effect immediately as a budget trailer bill and made technical and substantive amendments to the Dissolution Act.

Therefore:

The authority of the Dissolved Ridgecrest Redevelopment Agency (RRA) to undertake most new activities was suspended as of the effectiveness of the Dissolution Act, June 27, 2011.

The Dissolved RRA went out of existence on February 1, 2012.

The Ridgecrest Redevelopment Successor Agency (RRSA) was created and established and charged with winding down the Dissolved RRA's affairs under the review and approval of the Oversight Board for specified actions and direct specified activities of the RRSA.

The RRSA Oversight Board was appointed and organized. The Oversight Board approved an Enforceable Obligation Payment Scheduled (EOPS), and a Recognized Obligation Payment Schedule (ROPS I), which were approved the California State Department of Finance (DOF).

The RRA & RRSA report to the legislative body for the fiscal year 2011-2012 is presented as follows:

Section 33080.1 of the Health & Safety Code requires that the Ridgecrest Redevelopment Agency shall submit the final report of any audit undertaken by any other local, state, or federal government entity to its legislative body within 30 days of receipt of that audit report. In addition, every redevelopment agency shall present an annual report to its legislative body within six months of the end of the agency's fiscal year. The annual report shall contain all of the following:

- (a) (1) An independent financial audit report for the previous fiscal year. "Audit report" means an examination of, and opinion on, the financial statements of the agency which present the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate Low and Moderate Income Housing Fund pursuant to Section 33334.3. This audit shall be conducted by a certified public accountant or public accountant, licensed by the State of California, in accordance with Government Auditing Standards adopted by the Comptroller General of the United States. The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 33080.3 and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus in the Low and Moderate Income Housing Fund as defined in subdivision (g) of Section 33334.12
- (a) A copy of the Component Unit Financial Statements and Independent Auditors' Report for the year ending June 30, 2012, as prepared by CC&L, certified Public Accountants is attached
- (b) A fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5.

A copy of the 2011-2012 RRA fiscal statement is attached.

- (c) A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7.

§33080.4. Description of agency's activities

(a) For the purposes of compliance with subdivision (c) of Section 33080.1, the description of the agency's activities shall contain the following information regardless of whether each activity is funded exclusively by the state or federal government, for each project area and for the agency overall:

(1) Pursuant to Section 33413, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that were displaced or moved from their dwelling units as part of a redevelopment project of the agency during the previous fiscal year.

(2) Pursuant to Section 33413.5, the total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that the agency estimates will be displaced or will move from their dwellings as part of a redevelopment project of the agency during the present fiscal year and the date of adoption of a replacement housing plan for each project area subject to Section 33413.5.

(3) The total number of dwelling units housing very low income households, other lower income households, and persons and families of moderate income, respectively, which have been destroyed or removed from the low-or moderate-income housing market during the previous fiscal year as part of a redevelopment project of the agency, specifying the number of those units which are not subject to Section 33413.

(4) The total numbers of agency-assisted dwelling units which were constructed, rehabilitated, acquired, or subsidized during the previous fiscal year for occupancy at an affordable housing cost by elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, specifying those units which are not currently so occupied, those units which have replaced units destroyed or removed pursuant to subdivision (a) of Section 33413, and the length of time any agency-assisted units are required to remain available at affordable costs.

(5) The total numbers of new or rehabilitated units subject to paragraph (2) of subdivision (b) of Section 33413, including separate subtotals of the number originally affordable to and currently occupied by, elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, and the length of time these units are required to remain available at affordable costs.

(6) The status and use of the Low and Moderate Income Housing Fund created pursuant to Section 33334.3, including information on the use of this fund for very low income households, other lower income households, and persons and families of moderate income, respectively. If the Low and Moderate Income Housing Fund is used to subsidize the cost of onsite or offsite improvements, then the description of the agency's activities shall include the number of housing units affordable to persons and families of low or moderate income which have been directly benefited by the onsite or offsite improvements.

(7) A compilation of the annual reports obtained by the agency under Section 33418 including identification of the number of units occupied by persons and families of moderate income, other lower income households, and very low income households, respectively, and identification of projects in violation of this part or any agreements in relation to affordable units.

(8) The total amount of funds expended for planning and general administrative costs as defined in subdivisions (d) and (e) of Section 33334.3.

(9) Any other information which the agency believes useful to explain its housing programs, including, but not limited to, housing for persons and families of other than low and moderate income.

(10) The total number of dwelling units for very low income households, other lower income households, and persons and families of moderate income to be constructed under the terms of an executed agreement or contract and the name and execution date of the agreement or contract. These units may only be reported for a period of two years from the execution date of the agreement or contract.

(11) The date and amount of all deposits and withdrawals of moneys deposited to and withdrawn from the Low and Moderate Income Housing Fund.

§33080.7. Excess surplus in specified fund

For purposes of compliance with subdivision (c) of Section 33080.1 and in addition to the requirements of Section 33080.4, the description of the agency's activities shall identify the amount of excess surplus, as defined in Section 33334.10, which has accumulated in the agency's Low and Moderate Income Housing Fund. Of the total excess surplus, the description shall also identify the amount that has accrued to the Low and Moderate Income Housing Fund during each fiscal year. This component of the annual report shall also include any plan required to be reported by subdivision (c) of Section 33334.10

No individuals were moved or displaced in the previous fiscal year. No very low or low income housing units were destroyed or removed from the housing inventory

The status and use of the low a moderate Income Housing fund is used for debt service of Tax Allocation Bonds in an amount of \$99,232. Funding of \$19,257 was utilized for Mortgage assistance programs; with a blind second that is forgiven by owner occupancy of 10 years. Approximately \$859,785 was used for administration and salaries

(d) A description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year.

32 new units of low and moderate income housing were provided during the 2010-2011 fiscal year and are in process of development and construction. No replacement housing was required within the Ridgecrest Redevelopment Project Area. There were five (5) First Time Home Buyers subsidies providing affordable single family dwelling units, from 2010-2011 that closed escrow. Three new programs and projects were reviewed and considered for Housing Set-aside funding for next year and delayed due to AB1x 26. During the 2011-2012 fiscal year current new commercially produced housing units where at price levels that made them available to low and moderate income families due to current retail market conditions

- (e) A list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.

No loans were extended within the fiscal year, excepting the AMG Senior Housing Project from 2010-2011, 5 First Time Home Buyer loans, of which none are in default. Two housing projects and three commercial projects were under development, but due to the State of California actions, no formal progress is permitted.

- (f) A description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.

The RRA has acquired one property during the prior reporting period. A listing of RRA owned properties is attached. Agency had negotiated for an exchange of property in 2009-10, however, a 25 acre property was purchased by fee simple deed for utilization of expansion of the Kerr McGee Youth Sport Complex and other potential development projects. An OPA was developed but not executed for blight removal and development of a new office complex. No expenditures were made outside of the project area for 2011-2012.

- (g) A list of the fiscal years that the agency expects each of the following time limits to expire:

- (1) The time limit for the commencement for eminent domain proceedings to acquire property within the project area.

- (2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project.

- (3) The time limit for the effectiveness of the redevelopment plan.

- (4) The time limit to repay indebtedness with the proceeds of property taxes.

- (h) Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.

As a result of ABx1 26 and AB1484 no new activities, agreements, or projects have been undertaken by the RRA or RRSA.

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Ridgecrest Redevelopment Agency
&
Ridgecrest Redevelopment Successor Agency
Highlights for the Year ending June 30, 2012

Under AB1X 26 redevelopment agencies are dissolved and replaced with Successor Agencies responsible for winding down the affairs of the redevelopment agencies including disposing of their assets. Upon the effective date of the legislation (June 29, '11) Redevelopment agencies can no longer incur indebtedness, amend or modify existing agreements, increase pay, pay bonuses or hire employees, refund, restructure or refinance bonds or transfer money out of the Low and Moderate Income Housing Fund.

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The Ridgecrest Redevelopment Successor Agency (RRSA) was created and established and charged with winding down the Dissolved RRA's affairs under the review and approval of the Oversight Board for specified actions and direct specified activities of the RRSA.

The RRSA Oversight Board was appointed and organized. The Oversight Board approved an Enforceable Obligation Payment Scheduled (EOPS), a Recognized Obligation Payment Schedule (ROPS I), which was approved the California State Department of Finance (DOF).

The following projects were determined to be approved agreements or contracts listed on the EOPS as approved;

Five (5) First Time Homebuyer Loans opened and approved in 2010-11, but closed escrow in July 2012.

Thirty two (32) unit Senior Citizen Apartment Development Loan with California Tax Credit Allocation approval in 2010-11, with OPA executed in 2012.

Acquisition of real property site, 25 acres for Kerr McGee Youth Sport Complex expansion and housing. Negotiated exchange and modified to a fee simple purchase in 2011.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of December 19, 2012

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of December 19, 2012

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

Submitted by: Rachel J. Ford
(Rev. 6-12-09)

Action Date: January 23, 2013

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**MINUTES OF THE SPECIAL MEETING OF THE
RIDGECREST CITY COUNCIL AND
RIDGECREST REDEVELOPMENT AGENCY AND**

City Council Chambers
100 West California Avenue
Ridgecrest, California 93555

December 19, 2012
5:30 p.m.

This meeting is recorded and will be on file in the Office of the City Clerk for a certain period from date of approval by City Council/Redevelopment Agency. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER

ROLL CALL

Council Present: Mayor Daniel O. Clark; Mayor Pro-Tem Jason Patin; Vice-Mayor Marshall 'Chip' Holloway; Council Members Jim Sanders and Lori Acton;

Staff Present: Interim City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Keith Lemieux; and other staff

APPROVAL OF AGENDA

ADD:

A Need Arose Item for Closed Session

GC54957.6 Labor Negotiations with UFCW. Agency Negotiator Interim City Manager Dennis Speer

Motion To Add Closed Session Item Made By Council Member Acton, Second By Council Member Patin. Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent.

Motion To Approve Agenda Made By Council Member Acton, Second By Council Member Patin. Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent

PUBLIC COMMENT – CLOSED SESSION

No comments presented

CLOSED SESSION

GC54957.6 Labor Negotiations with UFCW

AGENDA - CITY COUNCIL - REGULAR

December 19, 2012

Page 2

GC54956.9 Conference with Legal Counsel – Existing Litigation – City of Ridgecrest v. William Dale Howard

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Labor negotiations – received report – gave instruction to negotiator, no reportable action
 - William Dale Howard – received report – no reportable action taken
- Other
 - None

PUBLIC COMMENT

Phil Salvatore

- Referenced County lawsuit and asked for details to public.
 - Keith Lemieux responded. Is a public record that can be accessed.

Howard Auld

- Referenced recent Newtown Connecticut tragedy.
- Suggested Council consider holding a public Town Hall meeting to assess local situation compared to Newtown Connecticut.

Dave Matthews

- Distributed Government Code protocol to Council pertaining to the position and manner of displaying flags at half-staff.
- Referenced other locations where protocol for flags is located.
- Thanked Kathy Armstrong and other volunteers for decorations in City Hall.
- Spoke on Newspaper notification of DUI checkpoint and mentioned saturation points that were not publicized.
- Thanked Eagle Scout, exchange club, and all those involved with relighting the star on 'B' mountain.

AGENDA - CITY COUNCIL - REGULAR

December 19, 2012

Page 3

Al Huey

- Congratulated newly elected members of Council.
- Mentioned staff budget recommendations being ignored at last Council meeting
- Objected to Mayor having a regular office and hours
- Objected to CDBG funds being used as monetary gift to other organizations.
- Spoke on ADA unfunded mandates.
- Spoke on various government give-away programs including Medicaid and welfare.
- Read article on violation of individual restraints.
- Mentioned Measure 'L' comments made at last Wednesday Council meeting.
- Read quotes from individuals such as Benjamin Franklin and Albert Einstein, Edward abbey and Thomas Jefferson.

Closed public comment at 6:42pm

CONSENT CALENDAR

1. Approve The Final Balancing Contract Change Order, Authorize The Interim City Manager, Dennis Speer, To Sign Notice Of Completion, Authorize The City Clerk To File The Notice Of Completion And Authorize The Release Of Retention On The Transportation Development Act (TDA) Article 3 Bowman Bike Rest Stations At Various Locations Speer
2. Approve A Resolution Rejecting All Bids On A Construction Contract For The Safe Routes To School Cycle 9 Project Speer
3. Approve A Resolution Of The City Council Of The City Of Ridgecrest Summarily Vacating An Easement Speer
4. Approve Draft Minutes of Council Meeting Dates December 5, 2012 Ford

Items Pulled for Discussion:

- Item no. 1, 2, & 3.

Item 1 discussion

Jim Sanders

- Questioned cost overrun and additional contingencies previously budgeted.
 - Dennis Speer – no cost to the City, utilized the contingencies.

Motion To Approve Item 1 Was Made By Council Member Patin, Second Council Member Holloway. Motion Carried By Voice Vote 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent.

AGENDA - CITY COUNCIL - REGULAR

December 19, 2012

Page 4

Item 2 discussion

Dave Matthews

- Read report and noted staff suggestion to reject and seek additional funding
- Suggested re-opening the bid process and see if someone is willing to do the project for the price.

Jerry Taylor

- Asked where the original cost estimate came from and how old the estimate was.

Jim Sanders

- Asked why the estimate was lower than the actual bids presented.

Motion To Approve Item 2 Made By Council Member Patin, Second By Council Member Holloway. Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent.

Item 3 discussion

Dave Matthews

- Asked about the location of the right of way.
- Asked how the excess right of way was developed and if we were overlooking something.
 - Dennis Speer responded

Chip Holloway

- Suggested staff provide a map on similar items in the future.

Jim sanders

- Confirmed this was reviewed by planning commission and explained the lack of need so the right of way will be vacated.

Motion To Approve Items 3 And 4 Made By Council Member Holloway, Second By Council Member Acton. Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent.

DISCUSSION AND OTHER ACTION ITEMS

5. Mayoral Appointments To Council Committees, Boards, and Commissions

Clark

Mayor Carter

- Conducted nominations for planning commission

AGENDA - CITY COUNCIL - REGULAR

December 19, 2012

Page 5

Planning Commission Nominees

- Lori Acton – Nominated Pat Broke
- Jim Sanders – Nominated Scott Davis
- Chip Holloway – Chris LeCornu
- Jason Patin – Robert Obergfell
- Dan Clark – Steve Morgan

Motion To Accept Nomination Made By Council Member Acton, Second By Council Member Patin. Motion Carried By Voice Vote Of 5 Ayes; 0 Nays; 0 Abstain; And 0 Absent.

- Measure 'L' committee nominations tabled until January.

Jim Sanders

- Inquired about Measure 'L' Committee term limits.
 - Keith Lemieux – clarified each member serves at the pleasure of Council and can be examined with new Council

Dan Clark

- Observation, redirecting responsibilities of planning commission and focus on codification of construction code and general law versus Charter city
- Suggested appointing only 2 Council members to standing committees and department head have responsibility of calling meetings when there are items ready to discuss.
- Asked for Council support on the suggested changes.

Jason Patin

- Likes the idea but would like to add housing element to planning commission.
 - Dennis Speer – most critical item on the horizon and is appropriate for planning commission with guidance of city planner.
- Ok with idea of staff bringing ideas to Council and Council members on the committees should have ability to bring issues to staff.

Lori Acton

- Asked if a member of public would be added to replace planning commissioners
 - Dan Clark – at this time envisioned 2 Council and 1 department head. Public can always attend.
 - Keith – committee will only be members of Council, department head will be advisor and receive instruction.
 - Jason – with 2 Council things could be moved forward quicker.
- Some committees don't need to meet as often and staff is at bare bones.

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Jim Sanders

- Old Town committee excluded from structure
 - Council agreed with suggestion.

Chip Holloway

- Has long proposed eliminating committees completely, wants to handle things at Council level, however there are times when staff can work thru the fine details.
- Not convinced Charter versus general law is a planning commission subject but freeing them to work on other items without adding meeting times for them is fine.

Jim Sanders

- Mixed feelings and related experience as a planning commissioner and committee involvement.
- Fine with committees not meeting if nothing to discuss
 - Committees will have set dates however meeting would only be called by department head when a subject needs committee input.
 - Designed to eliminate staff having to put reports together when nothing really to discuss.
- Requested this be formed as a test time and evaluate the effectiveness.

Public Comment

Tom Wiknich

- No problem with reducing number of meetings
- Disagree with planning commissioners being removed.
- Feels planning commissioners are a valuable asset.
- Mentioned his research of general law versus Charter city and will require funding. Suggested more investigation before moving in that direction.

Jerry Taylor

- Mentioned former planning commissioners in attendance at the meeting.
- Agrees with Mr. Holloway about bringing items to the Council meeting.
- General Law versus Charter, the discussion should happen in public meetings and not at committee level.
- Mentioned the cost of converting our municipal code to Charter city from general law.
- Understand streamlining committees and how information is disseminated at public Council meetings.
 - Dan Clark – research is relatively inexpensive and once the research is available then can have discussions for public. Concerned with staff spending too much time when short-staffed.
- Spoke on the type of Charter desired and Council members should be involved with city attorney input.

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Jason Patin

- Not asking for decision, just want to see the information

Lori Acton

- Agreed with receiving information after research so informed decisions can be made.

Chip Holloway

- League of California Cities is putting together a tool kit for cities on the subject of general law versus Charter
- Will bring back to full Council once League releases the tool kit as first step form of analysis without staff time and cost involved.

Al Huey

- Asked what the reasoning behind topic for committee to research.
 - Dan Clark – some advantages for cities our size and is premature to share until research is completed.
- Agree with Mr. Holloway suggestion to wait for League to move forward.

Dave Matthews

- Understood committees was outlined in the code
 - Dan Clark – has been reviewed and Council has ability to change, nothing firm in the code.
- Expressed concern about having only 2 Council and suggested a member of the public participate.
- Many times discussions in open Council can lose some of the smaller details.
- Mentioned public inability to make the committee meetings.

Jason Patin

- Agrees with the recommendation.
- Streamline the process and commissioners can attend as members of the public.
- Welcome commissioners and public attendance and input.

Personnel Commission Nominations.

- Dan Clark nominated Ryan Hunter
- Lori Acton nominated Robert Obergfell
- Chip Holloway nominated Christian Patin

Construction Appeals Board

- Chuck Cordell
- Mike Ferguson
- Russ Hurst

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Handicap Access Appeals Board

- Travis Riley
- Stevie McWilliams
- Christine Alloya

- Council instructed to return to next meeting with all nominations

Quality Of Life Committee

- Chip Holloway
- Lori Acton

City Organization Committee

- Dan Clark
- Jim Sanders

Community and Economic Development Committee

- Jason Patin
- Chip Holloway

Infrastructure Committee

- Dan Clark
- Jason Patin

Activate Community Talents and Interventions for Optimal Neighborhoods Task Force (ACTION)

- Jim Sanders
- Jason Patin

Kern Council of Governments (COG)

- Primary – Chip Holloway
- Alternate – Dan Clark

Navy Community Council

- Dan Clark
- Jim Sanders

Civilian Military Affairs

- Lori Acton

Kern County Air Pollution Control Board (KCAPC)

- Chip Holloway

Ridgecrest Area Convention and Visitors Bureau (RACVB)

- Jason Patin

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- Chip Holloway

Indian Wells Valley (IWV) Ground Water Committee

Jim Sanders

Lori Acton

League of California Cities

- Primary - Jason Patin
- Alternate - Chip Holloway
- Second Alternate - Dan Clark

Youth Advisory Council

- Jason Patin
- Dan Clark

Veterans Advisory Committee

- Jason Patin
- Lori Acton

Seniors Advisory Committee

- Lori Acton

Arts Council

- Dan Clark

Reviewed Municipal Code Requirements For The Disaster Council

Teen Court

- Jason Patin
- Chip Holloway

Economic Development Council

- Lori Acton

Dave Matthews

- Inquired about the Public lands roundtable appointment
 - Lori Acton will attend the Ridgecrest Roundtable and Friends of Jawbone meetings.

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Quad-State Coalition

- Chip Holloway – suggested Steve Morgan continue to attend Quad-State Coalition as City of Ridgecrest representative.
 - Keith Lemieux – will look at bi-laws to see if there is a conflict
 - Steve Morgan – agreed to continue as representative providing there is no conflict.

Southwest Events Alliance

- Lori Acton

6. Approve A Resolution Of The Ridgecrest City Council Approving Budget Amendment #2013-03 Decreasing Appropriations And Estimated Revenues In The Annual Budget **Speer**

Dennis Speer

- Gave Staff Report and PowerPoint presentation (copy available in the city clerks office)

Jason Patin

- Asked Mr. Ponek to review proposed Parks & Recreation reductions
 - Recommendation primary loss of 3 more full-time maintenance employees.
 - Past 2 years Parks has lost the equivalent of 10 full-time employees' total.
 - Maintenance and repair of buildings reductions.
 - By eliminating 3 more maintenance employees will have to close piney pool and no longer maintain the sports complex and Jackson park sports complex giving them back to the organizations such as intramurals and county.
 - Will have to review the cuts impact and what will be eliminated out of necessity.
 - Reviewed pool activities that have already been planned and booked.
 - More challenges and reviewed the changes made last budget.
- Asked about revenue items that now cost the city.
 - When staff is lost then maintenance cannot be maintained. Will have to cut programs. Have already eliminated some programs and moved staff around. Staff is doing a great job and have stepped up to the challenge.
 - Eliminated spring soccer program and more will have to be done, not desirable but can be done.

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Jim Sanders

- Asked for projections of revenue reductions and if the impact would be beneficial or detrimental.
 - Quoted past revenues and the impact from loss of staff.
 - Will have to bring plan of action back to Council based on the cuts Council makes.
- Increasing revenue is a way to make up the difference and asked if this had been done.
 - Related history of revenue generation and the difficulty faced the past few years as cuts were made.
 - Will be under \$400k in revenue because of the present cuts and will change if more cuts are made tonight.
 - Needs a solid projection of cuts before can cost out revenue changes.
 - Spoke on in-house concession stand staff added during off-season.

Lori Acton

- Asked for breakdown of current maintenance staffing.

Jason Patin

- Concerned that park is cut every year and facilities continue to deteriorate.
- Asked if we want to fund the parks and recreation or outsource some of the functions or set up a special district to remove the functions from the general fund.
- Suggested that discussion take place.

Lori Acton

- Agree with Mr. Patins' suggestion.
- Suggested cutting the ISF funds that are transferred to other departments who have not experienced any cuts.
- Need to collect accounts receivables

Jason Patin

- Suggest keeping intact until we figure out how else to fund the parks functions.

Dennis Speer

- Parks is the only revenue generator in general fund

Jim Sanders

- Everyone is going to but hurt in this, cannot afford to continue to bleed dollars.

Lori Acton

- Cut it from a department that has not been cut and suggested finance department.

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- ISF should go away and other department should stop having to give up their budgets to the finance department
- Need to collect the outstanding receivables where members of the public refused to pay for solid waste service.
- There are better ways to do this.

Chip Holloway

- Asked about the cost breakdown for personnel.
 - This proposal is for the balance of this year only.
- Spoke on the methodology of cutting percentage of budgets for all departments and questioned the ISF funds.
 - Agree with Council Member Acton in eliminating ISF for general fund costs for next year budget.

Dan Clark

- Gave roads comparisons for streets and parks.
- If looking for fairness finance is not taking a reduction in staff and suggest Council consider the staffing issues in the sense of fairness.
 - Dennis outlined the current staffing functions of the finance staff.

Chip Holloway

- Should be looking at need instead of fairness.
- Finance is buried by compliance on every dollar spent.
- Don't disagree about option of cutting finance but need to look at need rather than fairness
- Asked public to send direction to Council regarding a parks special district or these functions will go away. If you take recreation out of the equation, recreation used to be awash with revenues, parks does not generate revenue.
- Have done a masterful job shielding the pain from the public but at a point that can't hide the pain anymore.
- Unfair to lose partnerships with school district and other agencies by cutting programs in the community.
- Outlined city of Taft parks special district. Similar to Measure 'L' and the parks and recreation is eliminated from general fund and supported by the district.
- Unfortunately most of the supporters for parks & recreation are single moms and can't attend meetings so their voice is not heard.
- In past 14 years have only looked at the expenditures and not revenue side of the budget. Need to increase revenues and create more programs that will encourage people to come to the community.
- In marketing it is easier to keep a customer than to attract a new customer, every time we cut a program it costs more to attract new customers.

Dan Clark

- If Council follows the current direction of Dennis Speer, there is a 6% cut to finance.

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Chip Holloway

- Think the recommendations are good then city manager needs to divide the functions in finance that can be cut.

Jim Sanders

- Want to make sure Council is focusing on long-term cuts rather than just short term.
- In favor of restructuring parks and recreation.
- Need to make some cuts tonight to stop the daily loss of funds.
- Asked for plausibility study for recreation being able to support itself, in favor of keeping programs if they are self-supporting.

Lori Acton

- Asked for a review of the additional reductions.
- Asked Tess Sloan about loss of half time person transferring to full-time funded from different account.
 - Explained the shift of functions between payroll and human resources

Jim Sanders

- Reference to Public Services department, has issue with proposal of eliminating the full-time employee and utilizing a part-time consultant.
 - Final recommendation was to NOT cut the planning department.
 - Final recommendation was to take the \$52,000 from other transfer accounts between line-items of special projects and capital projects.
- Asked for clarification of the Public Works reduction.
 - Reduction of the general fund line item that funds production of plans and specifications.
- Would like to eliminate the lobbyist and grant writer and proposed approval of cutting those tonight so the 30 day notices can be sent.
- Would like to see Council position of eliminating Council benefits and retirement, would like to see the numbers for savings from staff.
 - Expressed idea of Council not being a full-time position so benefits and retirement are not warranted.
 - Mayor Clark not in support of a blanket elimination because some of the benefit funds are used for Council functions.
 - Patin commented that small amount of funds is not supportive of the amounts spent out of pocket to attend Council related functions.
 - Holloway expressed opinion that the funds are small and Council members have voluntarily given up percentages of funds. Other cities have discovered that reduction of funds restricts the type of candidates for Council.

10-minute recess

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Public Comment

Jerry Taylor

- Distributed a handout representing general fund reserve with comparisons from wastewater fund and other funds and department usage.
- Commented on the revenue and general fund balance that would not exist the following year.
- Cuts used now will still mean hard decisions for the next budget and encouraged Council to come back with more discussions in January.
- Asked Council to reconsider where the RDA allocations have been made.
 - Keith Lemieux commented on the \$575k and broke down the revenue received.

Scott Garver

- Asked for Chief Strand assistance in police proposed cuts.

Ron Strand

- Presented overview of the cuts made within the department including police positions which would be backfilled with Measure 'L' funding.

Scott Garver

- Commented that on first glance the proposal looked like funds were being moved which changes the original discussions of the use of Measure 'L' funds.
- Concern that perception ends up being reality and feels Council owes the public a clear explanation of the use of the Measure 'L' funds. Explain why went from funding 3 positions to 7 positions.
- Backfill of funds seems appropriate.
- Committee purpose is to look after expenditures made and report to public. Take expenditures and ensure they are spent consistently with the purposes and duties of the measure.
 - Dialogue between Keith and Mr. Garver regarding the true intent of the language. Keith asked to sit down with members of the committee to sort out the rights and responsibility of the committee.

Phil Salvatore

- Reviewed the original Measure 'L' funding breakdown and subsequent revisions, which reduces the reserve and street fund.
- Outlined forward projections in the following years of the Measure 'L' funds and anticipated decrease in tax revenues.
- Asked Council to keep this in mind and the appearance when the measure comes up for renewal.

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Tom Wiknich

- Thanked Council communication with the public.
- Asked about the loss of 3 persons in parks and recreation. Noted that one employee would be returning and another person leaving so asked for clarification of the numbers.
- One person out of the management category, one person from parks and recreation staff, and a third person from maintenance. Asked if the salaries and benefits were accurate. Commented on the proposal equals a net 2 positions.
- Asked if budget presented taken into account there are current reductions in salary for finance director and city manager.
 - Calendar Year only.
- Asked about total number of employees
- Asked when Council will talk about revenue and fees.
- Asked Council to put the parks district on the ballot.

Dave Matthews

- Commented about revenue sources such as advertising on the buses and website, sell advertisement space, sponsorship of the ball fields.
- Suggested volunteers helping research these ideas.

Aaron Miller

- Clarified the COLA's for the police department and PERS contributions.
- Encourage and support Mr. Garver's comments of using Measure 'L' funds to offset the general fund costs for police services.
- Made comments about the criminal element on the street who receive little or no jail time and the increased impact to the police department.

Barbara Auld

- Public will be more comfortable if the descriptor of what the committee does is reported out of Council. Public has misconception and clarity will help.

Stan Rajatora

- Questioned the transfer of coming out of general fund for streets.
 - Staff did not touch the transfer of gas tax funds, remains intact
- Reviewed the totals going to roads and the amounts going to police from Measure 'L' funds. Encouraged Council to work with real anticipated revenues.

Barbara Auld

- Tracking of Measure 'L' funds needs to be clear and specific.

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Al Huey

- Surprised that no one from Council questioned the police and focused on Parks which shows the Council's priorities
- Asked Council to look at reality, each year the problems get worse and will continue to get bad.
- Need to make hard fiscal cuts, may not be able to do away with parks infrastructure but on recreation need to find a better way to fund them. City cannot continue to support recreation.
- In past sports were provided by boosters clubs, parents, and volunteers. Asked city to adopt a pay-to-play attitude to prevent keeping parks and recreation going while sending staff and police home.
- Suggested more discussion in January and encouraged some departments to change the way things are being done to keep this from happening every six months.

Jerry Taylor

- Suggested revenue from parks and recreation which is not a profit but covers cost of staff but not maintenance of the field.
- Cutting the workers who are not making a lot, did not hear discussion of parks maintenance supervisor who makes 2-3 times more than the workers under them. What is the ratio of employees versus supervisors? Original proposal eliminated the supervisor and put the workers under another supervisor.

Lori Acton

- On behalf of Travis, when looking at all of this, what happened to looking for volunteers to keep things going?

Closed Public Comment At 9:33 p.m.

Dan Clark

- Asked Council how best to attack the situation. Is it acceptable to begin with the proposed recommendation of keeping the City Planner and work backward from that point?

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Lori Acton

- Asked Police Chief what would happen if the Measure 'L' funding does not realize the projected amount.
 - Services would be cut significantly.
- Council will have to adjust the numbers if the revenues are not received. Asked for an alternative number that could be used in the event of lower anticipated revenues.
- Asked for clarification of COPS versus police officer
 - COPS are post 911 positions.

Dan Clark

- Asked for agreement of the City Planner exception
- *Council concurred that the exception of City Planner is acceptable*

Reviewed the Additional Revenues portion of proposal

- Council asked for clarification of the \$722k solid waste receivables, asked if we had the option to put liens on properties that have not paid delinquent amounts.
 - Would have to go into court to prove the debts are real and many may be fraudulent and services were not actually performed. Staff has not separated out the real from fraudulent debts. Some amount is collectible but transaction costs could possibly exceed the actual recovery. If the funds came in it would be considerably lower and would not happen in a year. Keith can give report to Council in closed session.

ADDITIONAL REDUCTIONS

Dan Clark

- Can re-negotiate the Litigation Consultant cost for Solid Waste and could eliminate the grant writer and lobbyist

Lori Acton

- IWV economic development corporation has set aside funds to assist with payment of a lobbyist and city could work with them to fund a lobbyist.
- Talented staff could seek out grants and grant writing rather than pay a company. Look at options.

Jim Sanders

- If other groups in the valley want to take on the cost for a lobbyist then fine with their support. City would no longer direct the lobbyist.

Dan Clark

- In terms of the lobbyist and grant writer could eliminate up to \$50k, is that an acceptable reduction. Suggests eliminating both lobbyist and grant writer.

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Chip Holloway

- Disagree with elimination of lobbyist and mentioned past discussions with IWV and china lake alliance and chamber.
- Lobbyist is currently working on several issues including BRAC and others that could potentially save the city between \$7.5 million and \$15 million dollars and is silly to risk that potential for less than \$20k. cannot divulge details at this time but want to see it go forward.
- Local per diem is just one benefit we have realized and not willing to risk this other issue right now because it is so big for our valley.

Lori Acton

- Asked if the lobbyist could be tabled until more information for possible cuts next year.

Jason Patin

- Agree with Chip on this issue and feel it would be unwise to let the lobbyist go at this time.

Chip Holloway

- Feel the grant writer should be here to defend themselves. Are receiving \$250k and are working on 9 grants at this time.
 - Dennis Speer – all the grants require matching funds and city does not have the matching funds.
 - Jim Ponek – without TAB funds allocated there are no matching funds. Until Parks has direction then cannot proceed with any of the grants they found.

Dan Clark

- ok with continuing this discussion later and give the consultant the opportunity to speak with Council.

Jim Sanders

- does not see we will receive the performance we want out of this in the long term.

Jason Patin

- keep lobbyist and eliminate grant writer

Lori Acton

- keep lobbyist and eliminate grant writer

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Chip Holloway

- keep both lobbyist and grant writer

Dan Clark

- requested the elimination of one full time equivalent from the finance department.

Lori Acton

- fine with it, have done accounting, payroll, and human resources

Dennis Speer

- asked Council defer and review with finance director.

❖ *Council in favor of re-negotiating the contract with solid waste litigation consultant*

Dan Clark

- requested putting the parks maintenance positions back into the budget. Either close down the parks or give Mr. Ponek the work force he needs to do the job we expect of him. Keep pool open and maintain parks. Total of \$48k.

Lori Acton

- need more real numbers for next fiscal year so are buying some time until later cuts are made in next year's budget. Asked Mr. Ponek to look at moving management around to make cuts differently.
 - Jim Ponek – can do the numbers but need to look at the years of experience that would be lost in more advanced functions such as electrical, HVAC.

Jason Patin

- Need to develop a plan and look at outsourcing parks maintenance with outside services.
- Have to make tough cuts and plan better for the next budget and rely only on revenues we know will be coming in for that year.
- Not fair to keep employees on edge wondering if they will have a job.
- Cannot rebuild until we get where we need to be and live within the revenues we know are going to be there.

Chip Holloway

- Take 18k out and leave 30k for parks employees.

Jim Sanders

- Don't want to kick the can down the road anymore. Cuts now will drive Council to make the plans needed for the future. Hate letting people go but don't see how to make it work any other way.

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Lori Acton

- Tough decisions, we don't like them but have to do them. Do not want to keep putting Band-Aids on, rip it off and get it over. Want to make it to the end of this fiscal year the best we can. Is it fair to the community to close things now or better to let them know that at the beginning of the next fiscal year we will be closing the programs and facilities.
- Keep planner, renegotiate litigation, eliminate grant writer, add 60k revenue and give public head up that the facilities will not be there next year.

Jason Patin

- Has to happen but don't want to cut now and say sorry. Either community decides what they want to keep and how we are going to do it then go from there.

Jim Sanders

- Have heard the same discussion for the past two years, such as pool closure so public has had enough notice.

Jason Patin

- Proposing keeping the balance of this year and cutting it off July 1.

❖ *Discussion of closures now versus six months.*

Mr. Ponek recommendation 2013 advertised as the last year to have the pool and sports programs. Mentioned the aquatic park proposal. Agree that can't afford what we have but facilities are already booked for a year. Talked about Jackson sports complex owned by the county and city leases the complex and has put funds into the facility. Kerr McGee sports complex is leased to youth baseball and football. Need to look at what will be done with these complexes. IWV youth sports organizations are currently in negotiations with city trying to come up with options. Liability issue to consider, if going to give the facilities away then need to do it completely to avoid liability if someone is injured. Willing to go forward with cuts but need to let other agencies know what is coming such as the county. High school also uses the facilities thru the city. peak revenue season is May-August.

Dan Clark

- If Council keeps the three employees, then with next budget will move to a nuclear winter in the 2013 budget.
 - Mr. Ponek spoke on facilities and programs. Asked Council for time to put the plan in motion and to complete the obligations already committed to for the public.

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Jim Sanders

- Now talking about keeping the 3 employees on until September and asked where the funds would come from to pay these employees.

Dan Clark

- During the peak of the season there is positive revenue but then at the end of that revenue season the employees would go.

Further discussion of revenues and expenditure adjustment within the contracts.

Motion To Execute The City Managers Proposal. Amended Add \$48K From Waste Management Lease To Keep Parks Department Employees To Keep The Programs Going For The Balance Of The Revenue Season Made By Mayor Clark, Second By Council Member Acton. Motion Did Not Carry By Voice Vote Of 2 Ayes; 3 Noes (Council Members Patin, Holloway, And Sanders); 0 Abstain; And 0 Absent.

Motion To Execute The City Managers Proposal Amended To Add \$48,000 From Waste Management Lease To Keep Parks Department Employees And To Keep The Parks Programs Going For The Balance Of The Revenue Season And To Eliminate The Grant Writer Made By Mayor Clark, Second By Council Member Acton. Motion Carried By Voice Vote Of 4 Ayes, 1 No (Council Member Holloway) 0 Abstain, 0 Absent.

COMMITTEE REPORTS

City Organization

Members: To Be Appointed
Meeting: 2nd Tuesday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: January 8, 2013

- None

Community Development Committee

Members: To Be Appointed
Meetings: 1st Thursday Of The Month At 5:00 P.M.; Council Conference Room
Next Meeting: January 3, 2013

- None

Infrastructure Committee

Members: To Be Appointed
Meeting: 2nd Wednesday Of The Month At 5:00 P.M., Council Conference Room
Next Meeting: January 9, 2013

- None

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Quality Of Life

Members: To Be Appointed
Meeting: 2nd Thursday Of The Month At 5:00 P.M.; Kerr-McGee Center
Next Meeting: February 14, 2013 (Dark in June, July, December, and January)

- None

Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)

Members: To Be Appointed
Meetings: 2nd Monday Of Odd Numbered Months At 4:00 P.M., Kerr-McGee Center
Next Meeting: January 14, 2013

- None

Veterans Advisory Committee

Members: To Be Appointed
Meetings: To Be Announced
Next Meeting: To Be Announced

- None

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: To Be Appointed
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: January 2, 2013 at location to be announced

- None

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- None

CITY MANAGER REPORT

Dennis Speer

- Reported on Finance Director interviews.
 - 3 good candidates
 - advised there would be no decision until after the first of the year due to holidays.
- Requested direction to staff of whether to hold the meeting of January 2, 2013.
 - Council agreed to cancel the meetings of January 2nd and 16th and call special meeting for January 23, 2013.
- Discussion of code of decorum.
 - Protected speech versus meeting disruption.

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MAYOR AND COUNCIL COMMENTS

Lori Acton

- Sang a Christmas tune of realignment.

Jim Sanders

- Good meeting, tough times right now but this time of year gives us a chance to focus on what's important in our lives. Hate that these types of cuts are happening at this time of year. Wish everyone a merry Christmas and encouraged everyone to focus on what is important

Jason Patin

- Cannot express enough my sorrow for the people of Newtown Connecticut. Worst thing to see is the little faces on TV. Keep the families in your prayers. Agree that Christmas is a special time of year and keep Christ in Christmas.

Chip Holloway

- Thanked the Christmas elf who brought the decorations for Council. Talked about a movie called 'Last Ounce Of Courage' about a small town Mayor. Council gets beat up a lot but we still have a Christmas tree and a banner that says in god we trust. We still protect the principles and values that made this country great. Encouraged everyone to watch the movie. Wish everyone a Merry Christmas and do something for someone else and not let anyone know.

Mayor Clark

- Rose Vargas flew to Ohio to live so we lost the Mother Theresa of our community. She has done so much good in our community and we wish her well. Thanks to everyone to attended and appreciate your comments. Have a wonderful Christmas.

ADJOURNMENT at 11:05 p.m.

Rachel J. Ford, CMC
City Clerk

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CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA ITEM/FINANCING AUTHORITY

SUBJECT:

Mayor Clark, with concurrence of the Council, will appoint members to the Personnel Commission, Handicap Access Appeals Board, and the Construction Appeals Board

PRESENTED BY:

Rachel J. Ford – City Clerk

SUMMARY:

At the regular meeting of the Council on December 19, 2012, appointments were made to the Planning Commission and all standing Council Committees. Vacancies remain to be filled on the Personnel Commission, Handicap Access Appeals Board, and Construction Appeals Board

Nominations will be considered and appointments made to these three boards or commissions Pursuant to Municipal Code § 2-3.101-109.

FISCAL IMPACT:

No fiscal impact.

Reviewed by Finance Director

ACTION REQUESTED:

Appoint members to Planning Commission and standing council committees

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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Commissions, Board, & Committees	Member	Member	Member	Member	Member
Planning Commission (Each Council Member nominates a commissioner)	Christopher LeCornu	Steve Morgan	Pat Brokke	Scott Davis	Robert Obergfell
Personnel Commission (Each Council Member nominates a commissioner)	Ryan Hunter	Robert Obergfell	Christian Patin		
Construction Appeals Board (Each Council Member nominates a commissioner)	Chuck Cordell	Mike Ferguson	Russ Hurst		
Handicap Access Appeals Board (Municipal Code requires 2 members to be physically handicapped, 2 members experienced in construction, and 1 member be a public member)	Travis Riley	Steve McWilliams	Christine Alloya		
Infrastructure Committee (2 Council Appointments & 2 Planning Commission Appointments)	Dan Clark	Jason Patin			
City Organization & Services Committee (2 Council Appointments & 2 Planning Commission Appointments)	Dan Clark	Jim Sanders			
Parks, Recreation, & Quality of Life Committee (2 Council Appointments & 2 Planning Commission Appointments)	Chip Holloway	Lori Acton			
Community Development Committee (2 Council Appointments & 2 Planning Commission Appointments)	Jason Patin	Chip Holloway			
Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION) (2 Council Appointments & 2 Planning Commission Appointments)	Jim Sanders	Jason Patin			
Ridgecrest Area Convention & Visitors Bureau (RACVB) (2 Council Appointments)	Jason Patin	Chip Holloway			
Veterans Advisory Committee (1 Council Appointment & 1 Alternate)	Jason Patin	Lori Acton			
Kern Council of Governments (KernCOG) (1 Council Appointment & 1 Alternate)	Chip Holloway	Dan Clark			
Navy Community Council (Mayor + 1 Council Appointment)	Dan Clark	Jim Sanders			
IWV Groundwater	Jim Sanders	Lori Acton			
Youth Advisory Council	Jason Patin	Dan Clark			
Civilian & Military Affairs	Lori Acton				
Kern County Air Pollution Control Board	Chip Holloway				
Senior Advisory Council	Lori Acton				
Arts Council	Dan Clark				
League of California Cities	Jason Patin	Chip Holloway	Dan Clark		
Disaster Council (appointments set by Municipal Code)	Mayor/Chair	City Manager/Director of Emergency Services	Chief of Police/Asst. Director of Emergency Services	Other Emergency Service Personnel as appointed by the Director of Emergency Services to fulfill critical functions	

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Article 3. - Agencies, Commissions, Boards and Committees

[2-3.101. - General.](#)

[2-3.102. - Redevelopment Agency.](#)

[2-3.103. - Planning Commission.](#)

[2-3.104. - Personnel Commission.](#)

[2-3.105. - Construction Appeals Board.](#)

[2-3.106. - Handicap Access Appeals Board.](#)

[2-3.107. - Council Committees.](#)

[2-3.108. - Additional Council Appointments.](#)

[2-3.109. - Disaster Council.](#)

2-3.101. - General.

- (a) This Article sets forth provisions which are common to all agencies, commissions, boards and committees.
- (b) Commissions and boards shall consist of five (5) members who shall be registered voters within the City and who shall be appointed on the basis of their qualifications for their duties. Each member of the Council shall nominate one (1) Commissioner or board member. The Council shall confirm or reject the nomination.
- (c) Commission and board members shall serve for two-year terms which expire on the last day of November of even-numbered years. Each Councilmember shall nominate a commissioner who shall be confirmed by a majority of the City Council. Should a vacancy occur, either by resignation or by Council action, the vacancy shall be filled by a nomination from the Councilmember whose Commissioner position is vacant and confirmed by a majority of the City Council. Commissioners may be removed at any time, without cause, by a four-fifths (4/5) vote of the Council.
- (d) The City Administrator shall appoint a secretary for each commission who shall maintain the records of the commission and the minutes of the meetings. The secretary shall receive such compensation as may be fixed from time to time by the Council by resolution.
- (e) At its first meeting in the month of December of each even-numbered year, each commission shall elect one (1) of its members as chair and one (1) of its members as vice-chair. If the chair is absent or unable to act, the vice-chair shall conduct the meeting of the commission and exercise the powers of the chair.
- (f) Each commission shall provide for the time and place of its regular meetings.
- (g) Each commission shall act only by resolution or motion. A majority of the Commissioners shall constitute a quorum for the transaction of the Commission's business; however, no motion or resolution shall be passed and become effective without the affirmative vote of at least a majority of the Commissioners.
- (h) Each commission shall keep written records of its proceedings which shall be open at all times for public inspection. Each commission shall also file its recommendations with the Council.
- (i) The Council shall approve the budget for the work of each commission.
- (j) Upon request by the Commission, the City Administrator shall furnish to each commission within a reasonable time, such information as may be required for the work of the Commission. Each commission shall cooperate with commissions of other agencies charged with similar responsibilities in the formulation of its plans and recommendations to the Council.
- (k) On or before December 31 of each year, the Council shall prepare an appointments list of all regular and ongoing boards, commissions and committees which are appointed by the Council. The list shall identify all appointed terms which will expire during the next calendar year with the name of the incumbent, the date of the appointment, the date the term expires and the necessary qualifications for the position. The list shall also include all boards, commissions and committees whose members serve at the will of the Council.
- (l) Whenever an unscheduled vacancy occurs in any board, commission or committee for which the Council has the appointing power, whether due to resignation, death, termination or other causes, a special vacancy notice shall be posted in the office of the City Clerk not earlier than twenty (20) days before nor later than twenty (20) days after the vacancy occurs. Final appointment to the Board, Commission, or Committee shall not be made by the Council for at least ten (10) working days

after the posting of the notice unless the Council finds that an emergency exists. A person appointed to fill a vacancy in an emergency shall serve only on an acting basis until the final appointment is made pursuant to this section.

(Ord. No. 96-03)

2-3.102. - Redevelopment Agency.

The Redevelopment Agency of the City of Ridgecrest is hereby established. The Council shall act as the governing body of the Redevelopment Agency as defined in the Health and Safety Code section 33200.

(Ord. No. 96-03)

2-3.103. - Planning Commission.

(a) Pursuant to the provisions of Chapter 3 of Title 7 (commencing with Section 65100) of the Government Code, there is hereby established a planning agency for the City. The planning agency shall be the Planning Commission composed and organized as set forth in this Article.

(b) Planning Commission Salary. Commissioners shall receive monthly compensation in an amount established by resolution of the City Council. Commissioners may also receive traveling and other expenses incurred on City planning business.

(c) The Planning Commission shall:

- (1) Develop and maintain a general plan, zoning and subdivision ordinances;
- (2) Develop such specific plans as may be necessary or desirable;
- (3) Periodically review the capital improvement program of the City;
- (4) Prepare, review and recommend to the Council plans and drafts of such regulations, programs and legislation as may, in its judgment, be required for the systematic execution of the general plan;
- (5) Act as the agency for the Council in connection with Subdivision Map Act;
- (6) Investigate and recommend plans to the Council for the improvements and/or beautification of the City, including matters such as the opening, straightening, widening, closing of or parking on streets, improvement and development of public streets, improvement and development of public buildings and works the subdivision of lands and the supplementation or the change of zoning regulations and districts;
- (7) Act as the zoning board of adjustment;
- (8) Perform such other functions and duties as may be imposed by law or as the City Council may provide.

(d) The Planning Commission shall have the powers necessary to enable it to fulfill and carry out its planning functions as provided by law and as set forth herein. In the performance of its functions, Planning Commission personnel may enter upon any land to make examination and surveys provided such entries, examination and surveys do not interfere with the use of land by those persons lawfully entitled to the provisions thereof.

(e) The Director of Community Development shall assist the Commission with the performance of its duties.

(Ord. No. 96-03; Ord. No. 99-01, § 2)

2-3.104. - Personnel Commission.

(a) The Personnel Commission is hereby established.

(b) Commissioners shall receive no compensation, but shall receive reimbursement for expenses incurred while on City business, provided such expenses are authorized by the Council.

(c) The Personnel Commission shall hear appeals by employees in the competitive service concerning appointments,

promotions, demotions, suspensions and discharge; and make recommendations to the Council.

(d)

The Personnel Officer shall assist the Personnel Commission in the performance of its duties.

(Ord. No. 96-03)

2-3.105. - Construction Appeals Board.

(a)

The Construction Appeals Board is hereby established. The Board shall be constituted as set forth in the Uniform Building Code as it pertains to the Contractors Appeals Board.

(b)

Boardmembers shall receive no compensation but shall receive reimbursement for expenses incurred while on City business, provided such expenses are authorized by the Council.

(c)

The Board shall undertake the tasks specified in the Uniform Building Code for the Board of Appeals, in the Uniform Housing Code for the Housing Advisory and Appeals Board and in the Uniform Code for the Abatement of Dangerous Buildings for the Board of Appeals.

(d)

The Building Official shall assist the Board in performance of its duties.

(Ord. No. 96-03)

2-3.106. - Handicap Access Appeals Board.

(a)

The Handicap Access Appeals Board is hereby established. The Board shall be appointed and constituted as follows: Two (2) members of the Board shall be physically handicapped persons, two (2) members shall be persons experienced in construction and one (1) member shall be a public member.

(b)

Boardmembers shall receive no compensation but shall receive reimbursement for expenses incurred on City business, provided such expenses are authorized by the Council.

(c)

The Board shall conduct hearings on written appeals made under the State Handicapped Access Standards and may approve or disapprove interpretations of these Standards and enforcement actions taken by the Building Official. The Board shall adopt regulations establishing procedural rules and criteria for carrying out its duties.

(d)

The Building Official shall assist the Board in the performance of its duties.

(Ord. No. 96-03)

2-3.107. - Council Committees.

The Council shall establish committees by resolution. Committee members shall be appointed by the Mayor with the advice and consent of the Council. The Committee shall select a chair. If the Committee cannot select a chair within sixty (60) days from the date of appointment, the Mayor shall nominate a chair who shall be confirmed by a majority of the Council. Meetings of standing committees are open to the public. Committees shall make their recommendations to the Council.

(Ord. No. 96-03; Ord. No. 99-01, § 3)

2-3.108. - Additional Council Appointments.

The following additional appointments shall be made by the Council to conduct the business of the City. These are listed below with the appropriate assignments.

(a)

Kern Council of Governments (KernCOG). One (1) representative and one (1) alternate from the City Council appointed by a majority of the Council in December of even-numbered years for a two-year appointment.

(b)

Navy Community Council. The City has two (2) representatives. The Mayor serves as a permanent member. Additionally, one (1) representative from the City Council, approved by a majority of the Council for a six-month term appointed in December and May.

(c)

Kern County Air Pollution Control District (KCAPCD). One (1) representative from the City Council, appointed by a majority of the Council in December for a two-year term.

- (d) Ridgecrest Area Convention and Visitors Bureau (RACVB). One (1) representative from the City Council appointed by a majority vote of the Council for a two-year term starting in December of even-numbered years.
- (e) IWW Groundwater Management Committee. One (1) representative from the City Council, appointed by a majority of the Council for a two-year term commencing in December of even-numbered years.
- (f) League of California Cities-Desert Mountain Division. One (1) representative from the City Council, appointed by the majority of the Council for a one-year term starting in December.
- (g) Any Ad Hoc Committee that the City Council may deem necessary. Procedures for appointment and length of term to be determined by the Council at the time of inception.

(Ord. No. 96-03)

2-3.109. - Disaster Council.

- (a) The Disaster Council is hereby established.
- (b) The Disaster Council shall provide for the preparation and carrying out of plans for the protection of persons and property within this City in the event of an emergency; the direction of the emergency organization; and the coordination of the emergency functions of this City with all other public agencies, corporations, organizations, and affected private persons.
As used herein "emergency" shall mean the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot, or earthquake, or other conditions, including conditions resulting from war or imminent threat of war, but other than conditions resulting from a labor controversy, which conditions are, or likely to be, beyond the control of the services, personnel, equipment and facilities of this City, requiring the combined forces of other political subdivisions to combat.
- (c) The Disaster Council shall consist of the following: The Mayor, who is the Chair; the Director of Emergency Services, who is the City Administrator and who shall be Vice-Chair; the Assistant Director of Emergency Services who is the Chief of Police or the person appointed by the Director in the Assistant Director's absence; such chiefs of emergency services as are provided for in a current emergency plan of the City adopted pursuant to this section; and such representatives of civic, business, labor, veterans, professional, or other organizations having an official emergency responsibility as may be appointed by the Director to fulfill the requirements of the Emergency Operations Plan.
- (d) The Disaster Council shall develop and recommend for adoption by the City Council, emergency and mutual aid plans and agreements and such ordinances and resolutions and rules and regulations as are necessary to implement such plans and agreements. The Disaster Council shall meet upon the call of the Chair, or in the Chair's absence from the City or inability to call such meeting, upon the call of the Vice Chair.
- (e) The Disaster Council shall be responsible for the development of the City Emergency Operations Plan, which plan shall provide for the effective mobilization of all of the resources of this City, both public and private, to meet any condition constituting a local emergency, state of emergency, or state of war emergency; and shall provide for the organization, powers and duties, services, and staff of the emergency organization. Such plan shall take effect upon adoption by resolution of the City.
- (f) As required by the Emergency Operations Plan and State statute, the Chairman shall:
 - (1) Request the City Council to proclaim the existence or threatened existence of a "local emergency" if the Council is in session, or to issue such proclamation if the City Council is not in session. The Council shall take action to ratify the proclamation within seven (7) days thereafter or the proclamation shall have no further force or effect.
 - (2) Request the Governor to proclaim a "state of emergency" when, in the opinion of the Chair, the locally available resources are inadequate to cope with the emergency.
- (g) As required by the Emergency Operations Plan and State statute the Director shall:
 - (1) Declare a local emergency, provided, whenever a local emergency is proclaimed, the Council shall take action to ratify the proclamation within seven (7) days thereafter or the proclamation shall have no further force or effect.
 - (2) Control and direct the effort of the emergency organization of this City for the accomplishment of the purposes of this

section.

(3)

Direct cooperation between and coordination of services and staff of the emergency organization of this City; and resolve questions of authority and responsibility that may arise between them.

(4)

Represent this City in all dealings with public and private agencies on matters pertaining to emergencies as defined herein.

(h)

In the event of the proclamation of a "local emergency" as herein provided, the proclamation of a "state emergency" by the Governor or the Director of the State Office of Emergency Services, or the existence of a "state of war emergency" the Director shall:

(1)

Make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council;

(2)

Obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property and to bind the City for the fair value thereof and, if required immediately, to commandeer the same for public use;

(3)

Require emergency services of any City officer or employee and, in the event of the proclamation of a "state of emergency" in Kern County or the existence of a "state of war emergency," to command the aid of as many citizens of this community as he deems necessary in the execution of his duties; such persons shall be entitled to all privileges, benefits, and immunities as are provided by state law for registered disaster service workers;

(4)

Requisition necessary personnel or material of any City department or agency; and

(5)

Execute all ordinary power as City Administrator, all of the special powers conferred by this section or by resolution of emergency plan pursuant hereto adopted by the City Council, all powers conferred by any statute, by any agreement approved by the City Council, and by any other lawful authority.

(i)

The Director of Emergency Services shall designate the order of succession to that office to take effect in the event the Director is unavailable to attend meetings and otherwise perform his duties during an emergency. Such order of succession shall be approved by the City Council.

(j)

The Assistant Director shall, under the supervision of the Director and with the assistance of emergency service chiefs, develop emergency plans and manage the emergency programs of this City; and shall have such other powers and duties as may be assigned by the Director.

(k)

All officers and employees of this City, together with those volunteer forces enrolled to aid them by agreement or operation of law, including persons impressed into service under the provisions of this Code, shall be charged with duties incident to the protection of life and property in this City during such emergency, and shall constitute the emergency organization of the City.

(l)

Any expenditures made in connection with emergency activities, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants and property of the City.

(m)

It shall be a misdemeanor promulgated in the California Emergency Act and the California Penal Code for any person during an emergency to:

(1)

Willfully obstruct, hinder, or delay any member of the emergency organization in the enforcement of any lawful rule or regulation issued pursuant to this section, or in the performance of any duty imposed upon him by virtue of this section;

(2)

Do any act forbidden by any lawful rule or regulation issued pursuant to this section, if such act is of such a nature as to give or be likely to give assistance to the enemy or to imperil the lives or property of inhabitants of his City, or to prevent, hinder, or delay the defense or protection thereof;

(3)

Wear, carry, or display, without authority, any means of identification specified by the emergency agency of the State.

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: Consideration and Discussion of Measure L Committee Re-visioning

PRESENTED BY:

Dennis Speer, Interim City Manager

SUMMARY:

Following the passage of Measure L, an oversight committee was established. The committee has met regularly and worked diligently in its efforts to fulfill its purpose and duties under the Measure L Ordinance. Staff has provided the necessary support for the committee. The cost of this support is not a currently budgeted expense. Because of further budget reductions, continued staff support at the current level must be evaluated.

Recently, a re-visioning document entitled "Measure L Notes" (attached) was presented to the Measure L Committee. This document outlines expectations and clarifications pertaining to the accessibility and availability of staff in providing support services to the committee. The document prompted a great deal of discussion at the meeting. Concerns were raised over the inability of the committee to be effective if staff support was reduced.

In an effort to address these concerns and related issues, the Council is encouraged to consider and discuss the re-visioning document. To aid in the discussion, other documents presented at the Measure L Committee Meeting are attached.

FISCAL IMPACT: None

Reviewed by Finance Director

ACTION REQUESTED:

Consider and Discuss

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Dennis Speer
(Rev. 02/13/12)

Action Date: January 23, 2013,

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Measure L Notes

For Committee Members

WE ARE NOT HERE TO TELL YOU HOW TO DO YOUR JOB, THAT IS NOT OUR PURPOSE, HAVING SAID THAT, WE ARE HERE TO SHARE OUR EXPECTATIONS WITH YOU, AND TO CLARIFY WHAT THE CITY STAFF IS WILLING TO DO TO ASSIST YOU IN YOUR DUTIES.

1. Your job description is as follows:

Please track revenue in from Measure L (revenue numbers provided by Finance) and expenditures out as the Council appropriates. Council decisions must be true the two categories: Public Safety and Streets. It is your responsibility to generate accurate and timely reports to the community.

2. Staff will not be giving this committee reports or presentations unless the City Manager deems the reports necessary to the function of this committee.

3. You will receive reports on Measure L revenue funds relative to expenditures as soon as they are made, and or received.

4. A City staff member will attend Measure L committee meetings once a quarter.

5. Please remember that you serve at the will of the council, and you must be reappointed each time your sponsoring Council member is elected.

The City of Ridgecrest thanks you for your continuing efforts!

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ORDINANCE NO. 12-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST AMENDING THE RIDGECREST MUNICIPAL CODE BY ESTABLISHING A TEMPORARY TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIDGECREST as follows:

1. Purpose.

This Ordinance amends the Ridgcrest Municipal Code in order to establish a temporary transactions and use tax.

2. Amendment.

The following Chapter 3, Article 2, is hereby added to Ridgcrest Municipal Code to read as follows:

“Article 2. Temporary Transactions and Use Tax

3.2.101. Purpose and Operative Date.

- a) The purpose of this article is to impose a retail transactions and use tax in accordance with the provisions of the Revenue and Taxation Code which authorizes the City to adopt this tax if a majority of the qualified voters of the City vote to approve the imposition of the tax. Unlike the tax described in Article 3 of this Chapter, this tax is set for a fixed term of five years from the Operative Date.
- b) “Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the later of the adoption of this ordinance and article, the date of such adoption being as set forth on the ordinance that adopted this article, or the approval of the voters of the City of a measure approving the imposition of the transaction and use tax set forth herein; provided, that if the City shall not have entered into a contract with the State Board as required herein prior to such date, the Operative Date shall be the first day of the first calendar quarter following execution of such a contract.
- c) Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax article; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Sec. 3-2.102. Transactions Tax Rate.

Commencing on the Operative Date and continuing for a period of five years following this date, for the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at a rate of seventy-five one-hundredths of one percent (0.75%) of the gross receipt of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this article. Such tax shall be in addition to any other transaction (sales) tax imposed by this Code or applicable state law. Specifically, this tax shall be imposed in addition to the sales and use tax imposed by Section 3-3.102 of this Code.

Sec. 3-2.103. Place of Sale.

For the purposes of this article, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Sec. 3-2.104. Use Tax Rate.

Commencing on the Operative Date and continuing for a period of five years following that date, an excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on or after the Operative Date of this article for storage, use, or other consumption in the incorporated territory of the City at a rate of seventy-five one-hundredths of one percent (0.75%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax, regardless of the place to which delivery is made. Such tax shall be in addition to any other use tax imposed by this Code or applicable to state law. Specifically, this tax is in addition to the use tax imposed by 3-3.102 of this Code.

Sec. 3-2.105. Adoption of Provisions of State Law.

Except as otherwise provided in this article, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this article as though fully set forth herein.

Sec. 3-2.106. Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- (a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:
 - (1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - (2) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this article;
 - (3) In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - (a) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or
 - (b) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that Code;
 - (4) In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.
- (b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition to that phrase in Section 6203.

Sec. 3-2.107. Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this article.

Sec. 3-2.108. Exemptions and Exclusions.

- (a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any State-administered transactions or use tax.

- (b) There are exempted from the computation of the amount of transactions tax and gross receipts from:
 - (1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

 - (2) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - (a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

 - (b) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

 - (3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this article.

 - (4) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this article.

- (5) For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- (c) There are exempted from the use tax imposed by this article, the storage, use or other consumption in this City of tangible personal property:
- (1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax article.
 - (2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 - (3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this article.
 - (4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this article.
 - (5) For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice whether or not such right is exercised.
 - (6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(d) Any person subject to use tax under this article may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use, or other consumption of which is subject to the use tax.

Sec. 3-2.109. Amendments.

(a) All amendments subsequent to the effective date of this article to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this article.

(b) The City Council of the City of Ridgecrest may make amendments to this article that do not affect the rate of tax imposed without approval of the voters of the City. The City Council of the City of Ridgecrest may repeal this article by a two-thirds (2/3) vote of the Council without approval of the voters of the City, provided all indebtedness secured by the tax has been satisfied. The City Council may amend the rate of tax imposed herein (increase or decrease) or extend the term of the tax only upon two-thirds (2/3) vote of the Council and with approval of the voters of the City.

Sec. 3-2.110. Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this article, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Sec. 3-2.111. Severability.

If any provision of this article or the application thereof to any person or circumstance is held invalid, the remainder of the article and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 3-2.112. Use of Tax Proceeds.

All proceeds of the tax levied and imposed under this article shall be paid into the general fund for use by the City of Ridgecrest.

Sec. 3-2.113. Establishment of Committee and Purpose.

A Citizens' Oversight Committee is hereby established to oversee expenditures of the revenues received by the City from the sales and use taxes imposed pursuant to this chapter, and to ensure that tax revenues are spent by the City in a manner consistent with the voter approved measure adopting this chapter as well as any voter approved or council approved priorities adopted to implement the provisions of this chapter.

Sec. 3-2.114. Appointment and Tenure of Committee Members.

- (a) The Citizens' Oversight Committee shall consist of five members appointed by the City Council. Three members shall constitute a quorum. The City Manager shall appoint an ex-officio staff person to serve as the secretary and custodian of records who shall not have a vote.
- (b) Upon their appointment and during their incumbency, members of the committee shall be and remain residents of the City; provided, however, that City employees, other city officials, and City vendors shall not be qualified to serve as committee members at any time they occupy such positions or are engaged in such business. Should a member cease to be a City resident, that office shall be deemed vacant and the term of such member terminated. The secretary shall notify the City Council and City Manager of such termination as soon as administratively possible.
- (c) All members of the committee shall serve at the pleasure of the City Council and may be removed by a majority vote of the City Council at any time.

Sec. 3-2.115. Terms of Office.

- (a) Of the members of the committee first appointed, two shall be appointed for terms of one year, two shall be appointed for terms of two years, and one shall be appointed for a term of three years. Succeeding members shall be appointed for terms of four years. The secretary's term shall be designated by the City Manager. All members shall serve until a successor is appointed and qualified.

- (b) Should a member of the committee fail to attend three consecutive meetings, unless excused for cause by the chairperson, that member's office shall be deemed vacant and the member's term ended. The committee secretary shall immediately notify the City Council and City Clerk of such termination.

Sec. 3-2.116. Organization.

- (a) Each January, a board, commission, or committee shall annually organize and elect a chairperson and vice-chairperson from its membership for a one-year term. In the chairperson's or vice-chairperson's absence or disability, the committee may designate a chairperson or vice-chairperson pro tempore.
- (b) Regular meetings shall be held on the day and time established by resolution of the board, commission, or committee as amended from time-to-time.
- (c) Each board commission or committee shall establish a procedure for calling special meetings and may also adopt application requirements, meeting procedures, and other reasonable rules and regulations for conducting business. Minutes shall be kept of all meetings and the secretary shall deliver copies of minutes to the City Manager and City Clerk for filing and distribution to City Council members.
- (d) Any board, commission, or committee may designate one of its members, or a subcommittee composed of not more than two members, to study, review, consider, or make recommendations concerning any matter within its purview, provided that, a board, commission, or committee authorized to consist of seven members may designate one of its members, or a subcommittee composed of not more than three members, to study, review, consider, or make recommendations.

Sec. 3-2.117. Duties.

- (a) The committee is charged with the following responsibilities: (1) reviewing all appropriations of revenues received by the City from the sales and use taxes imposed pursuant to the provisions of this chapter to determine whether such funds are to be used as provided for in this chapter and the voter approved measure that adopted this chapter; (2) reviewing the audit prepared by an independent auditor retained by the City to perform the City's Comprehensive Annual Financial Report to determine whether such funds have been spent as provided for in this chapter and the voter approved measure; and (3) prepare and issue the committee's own annual report setting forth their findings in regard to the foregoing.

- (b) The committee shall confine itself specifically to funds received by the City from the sales and use taxes imposed pursuant to the provisions of this chapter. City revenues and funds generated through other sources are outside the scope of the committee.
- (c) In order to preserve the integrity and independence of the oversight process, committee members will not play a formal role in contracting, project management, construction, or any other aspect of the public safety funding. In addition, the committee is not charged with decision-making on spending priorities, construction schedules, project details, funding source decisions (e.g., leveraged funds, developer fees, etc.), financing plans, tax rate assumptions, or selection of consultants, design, and construction firms.”

3. Effective Date.

This Ordinance relates to the levying and collecting of the City transactions and use taxes, and is a valid and binding ordinance of the City upon passage and approval by the electorate of the City of Ridgecrest. This Ordinance shall be considered as adopted upon the date that the vote is declared by the legislative body, and shall go into effect ten (10) days after that date.

PASSED, APPROVED, AND ADOPTED by the Ridgecrest City Council on June 27, 2012, by the following roll call vote:

AYES: Mayor Carter, Council Members Holloway, Taylor, Morgan, and Patin

NOES: None

ABSENT: None

ABSTAIN: None



Ronald H. Carter, Mayor

ATTEST:



Rachel J. Ford, CMC, City Clerk

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January 14, 2013

Dennis Speer, Interim City Manager
City of Ridgecrest
100 W. California Avenue
Ridgecrest, CA 93555-4054

Re: Measure L Committee

Executive Summary

The following correspondence is drafted with the intention of providing guidance on the scope of review for the Measure L Committee. We conclude that the purpose of the Measure L Committee is to provide an annual report that documents whether or not money collected through Measure L was spent on the purposes identified by Measure L. We conclude the purpose of the committee is not to review or examine other unrelated aspects of the City budget.

Further, we conclude the city council has authority to remove and replace individual members of the committee before the end of their term by a majority vote of the city council. We recommend this opinion be shared with the members of the Measure L Committee in an effort to develop a consensus regarding the committee's goals and processes.

History of Measure L

Measure L was developed by staff in an effort to provide revenue in response to a fiscal emergency that had been declared by the city council. On January 11, 2012, the city council passed a resolution which stated:

“The City Council of the City of Ridgecrest finds and declares the existence of a fiscal emergency within the City. The City Council directs City staff to investigate the steps needed to resolve this fiscal crisis with a report to be presented to the City Council as early as practicable.”

At the meeting, the city council charged staff, including City Manager, Kurt Wilson, to develop revenue sources in order to meet the gap in the budget identified in the resolution. The concern at the time was that funding for police and roads would need to be cut.

Subsequently, on February 15, 2012, the city council adopted Resolution No. 12-10, calling for an election on the issue of Measure L. Measure L was intended to provide a separate revenue stream for the listed government functions – including police and roads – that would be protected on an ongoing basis.

It is important to note that Measure L was specifically passed as a general tax, that is, money collected from the tax goes into the City's general fund. As a result, there is no legal requirement that money collected through Measure L be spent on any specific government purpose. The requirement that Measure L money is used to fund police and roads is self-imposed by the City.

In an effort to demonstrate good faith with the citizens, Measure L included a provision for the adoption of a committee that would review the expenditure of Measure L funds to ensure that money collected through the tax was actually being used to pay for the purposes identified in the measure. Section 3-2.113 states:

"A Citizens' Oversight Committee is hereby established to oversee expenditures of the revenues received by the City from the sales and use taxes imposed pursuant to this chapter, and to ensure that tax revenues are spent by the City in a manner consistent with the voter approved measure adopting this chapter as well as any voter approved or council approved priorities adopted to implement the provisions of this chapter."

Section 3-2.117(a) clarifies that the committee's duties are limited to "(1) reviewing all appropriations of revenues received by the City from the sales and use taxes imposed pursuant to the provisions of this chapter to determine whether such funds are to be used as provided for in this chapter and the voter approved measure that adopted this chapter; (2) reviewing the audit prepared by an independent auditor retained by the City to perform the City's Comprehensive Annual Financial Report to determine whether such funds have been spent as provided for in this chapter and the voter approved measure; and (3) prepare and issue the committee's own annual report setting forth their findings in regard to the foregoing."

However, it is important to note that Measure L was clear to carve out other aspects of the City budget from Measure L review. Section 3-2.117(b) states:

"The committee shall confine itself specifically to funds received by the City from the sales and use taxes imposed pursuant to the provisions of this chapter. City revenues and funds generated through other sources are outside the scope of the committee."

Measure L also makes it clear that the committee members who serve on the committee do so by consent of the city council. As a result, these members can be removed or changed "by a majority vote of the City Council at any time." [Section 3-2.114(c).]

Scope of Review of Committee and Other Matters

It is our understanding that an issue has arisen regarding the scope of the Measure L Committee's review. Some members have advanced a theory the committee's charge includes review of the City budget to determine whether non-approved uses are being "backfilled" by Measure L money. In other words, the concern is that police and road funds

are being cut where they otherwise would not have been so they can be funded by Measure L money. This, according to the theory, would free up additional money to fund other government services from the general fund. Accordingly, certain committee members have expressed the desire to expand the scope of the committee to concern all aspects of the City budget, including review of prospective changes to the budget before they are made.

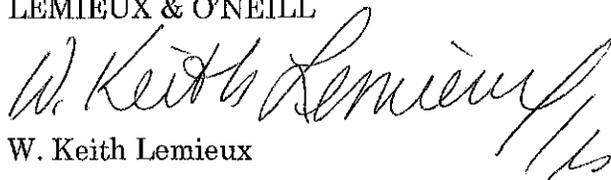
In our opinion, this exceeds the scope of the Measure L advisory committee. As noted above, the language adopting the committee is very clear that the scope of the committee's authority does not extend to "City revenues and funds generated through other sources." [Section 3-2.117(b).] When we drafted Measure L, we included this language specifically so that the Measure L Committee did not turn into a generalized review of all aspects of the City budget.

Instead, the committee has a very specific focus with an intentional limited purview: Was the money collected by Measure L actually spent on the listed services? The committee's authority is limited to preparing a report that addresses this question on an annual basis. The advisory committee is not the appropriate forum to raise generalized concerns regarding the City's financing and the decision-making of its elected officials. Those issues should be raised at the appropriate public meetings.

Finally, please note that these comments are only directed to committee members who are acting within the course and scope of their duties. Each committee member is also a citizen of the City of Ridgecrest and, as a citizen, has a right to inspect records of city government and comment freely upon them. If committee members have concerns about the budget generally, this information can be constructive and helpful when presented in the correct forum. However, in our opinion, it is inappropriate to use City resources to do so in the context of the Measure L Committee.

Very truly yours,

LEMIEUX & O'NEILL



W. Keith Lemieux

KL:km

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To the Measure L Committee,

As your newly elected Mayor, I want to personally apologize to each and every one of you for the city's lack of direction relative to your job description, duties, responsibilities, and vision. Making no excuses, the city did experience a serious lack of consistency in leadership. In the last four months, we have seen two City Managers, two Finance Directors, a newly elected Council, and a newly and publicly elected Mayor. These management transitions have been counterproductive to a shared working relationship. Please accept this apology for the lack of direction and also accept our commitment to a dedicated partnership with the Measure L Committee. We want and need you to be successful, and to that end, we will do what is necessary to support your efforts. Thank you for your past efforts and a renewed commitment to accountability and transparency. The citizens of Ridgecrest deserve and expect accurate and timely accounts of the revenue received and expenditure appropriations. I am dedicated to this process, and committed to working with each of our committee members.

**Thanks and God Bless
Dan Clark**

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