



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

AGENDA

Wednesday

Regular

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

February 5, 2014

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

(760) 499-5000

**Daniel O. Clark, Mayor
Marshall 'Chip' Holloway, Vice Tempore
James Sanders, Council Member
Lori Acton, Council Member
Steven P. Morgan, Council Member**

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LAST ORDINANCE NO. 14-xx
LAST RESOLUTION CITY COUNCIL NO. 14-xx
LAST RESOLUTION FINANCING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 14-xx
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 14-xx

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday February 5, 2014

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

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

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with 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

February 5, 2014

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CLOSED SESSION

GC54956.8 Local Agency Real Property Negotiations – Negotiation for Purchase – APN 067-050-15 located at 602 west Ridgecrest Blvd.
- Agency Negotiator Loren Culp, City Engineer and Gary Parsons, Economic Development Program Manager

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

PRESENTATIONS

1. Presentation To Council From The Exchange Club Of Ridgecrest
2. Presentation Of The Employee Of The Month Award Clark
3. Presentation Of The Comprehensive Annual Financial Report (CAFR) McQuiston
4. Presentation To Council By Eileen Shibley On CalUAS

CONSENT CALENDAR

5. Adopt A Resolution Consenting To The Inclusion Of Properties Within The City's Jurisdiction In The California HERO Program And Approving An Amendment To A Related Joint Powers Agreement Speer
6. Adopt A Resolution Authorizing Destruction Of Certain Records In Accordance With Established Record Retention Regulations McQuiston
7. Approve By Minute Motion Approval Of The Appropriation Of Unanticipated Revenue And Approve Corresponding Appropriation Increases To The Self-Insurance Fund McQuiston
8. Approve By Minute Motion Approval Of The Appropriation Of Unanticipated Revenue And Approve Corresponding Appropriation Increases For Tax Allocation Refunding Bonds (TAB) Funding McQuiston

AGENDA - CITY COUNCIL - REGULAR

February 5, 2014

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9. Approval Of Draft Minutes Of The Regular Council Meeting Dated December 18, 2013 Ford

10. Approval Of Draft Minutes Of The Regular Council Meeting Dated January 15, 2014 Ford

DISCUSSION AND OTHER ACTION ITEMS

11. Appointment To Fill A Vacancy On The Planning Commission Alexander

12. Tax Allocation Bond Project Review McRea

13. Adopt A Resolution Approving A Contract Between The City Of Ridgecrest And Kern County Fire Services McQuiston

14. Year End Budget Projections FY 2013-14 McQuiston

15. Discussion Of Funding For The 2014 Petroglyph Festival Clark

COMMITTEE REPORTS

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

Members: Jim Sanders, Dan Clark

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting:

Veterans Advisory Committee

Members: Dan Clark

Meetings: 1st and 3rd Tuesday of the Month At 6:30 p.m., Kerr-McGee Center

Next Meeting:

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: 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: Presentation Of the Employee of the Month Award
PRESENTED BY: Dan Clark - Mayor
SUMMARY: Staff recently implemented an Employee of the Month awards program, which gives the Council the opportunity to publicly recognize and extend their appreciation to employee's for exceptional service. The recipient for February 2014 is Sandra Aichlmayr,
FISCAL IMPACT: No Fiscal Impact Reviewed by Finance Director
ACTION REQUESTED: Presentation of a Certificate from Council to the Employee of the Month
CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION: Action as requested: Present a recognition certificate to the Employee of the Month

Submitted by: Daniel Clark, Mayor
(Rev. 02/13/12)

Action Date: Feb. 5, 2014

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

SUBJECT:
PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

PRESENTED BY:

Rachelle McQuiston, Finance Director/Agency Treasurer

BACKGROUND:

Members of the independent audit firm of Pun & McGeady will be present to provide the information contained within the Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2013.

The CAFR is an annual report generated by the Finance Department. The primary purpose is to inform the Mayor and City Council of all financial and administrative activities for the previous fiscal year. Additionally the report provides an opportunity for Ridgecrest citizens to correlate City services and accomplishments with the expenditures of financial resources.

The CAFR also provides information necessary for the financial community to evaluate the financial practices of the City; assure soundness in accordance with Generally Accepted Accounting Principles (GAAP); and determine the financial capacity of the City to incur and service debt for long-range capital planning.

Staff request is to accept for filing the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2013.

FISCAL IMPACT: No Fiscal Impact

Reviewed by Finance Director

ACTION REQUESTED:

Accept and File the 2013 Comprehensive Annual Financial Report (CAFR)

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Accept and File the 2013 CAFR

Submitted by: Rachelle McQuiston Finance Director

Action Date: 02/05/2014

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

SUBJECT: A Resolution Consenting to the Inclusion of Properties within the City's Jurisdiction in the California HERO Program and Approving an Amendment to a Related Joint Powers Agreement

PRESENTED BY:

Dennis Speer, City Manager

SUMMARY:

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("Chapter 29") and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over \$400 million in applications and has funded over \$100 million in projects. Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution.

The proposed resolution enables the California HERO Program to be available to owners of property within the City to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program.

FISCAL IMPACT: There is no negative fiscal impact to the City's general fund by consenting to the inclusion of properties within the City limits in the California HERO Program.

Reviewed by Finance Director

ACTION REQUESTED:

Adopt the attached Resolution approving an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to authorize the City's participation in the California HERO Program and authorize the Mayor to sign the agreement.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: February 5, 2014

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST, CALIFORNIA, CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE CITY'S JURISDICTION IN THE CALIFORNIA HERO PROGRAM TO FINANCE DISTRIBUTED GENERATION RENEWABLE ENERGY SOURCES, ENERGY AND WATER EFFICIENCY IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE AND APPROVING THE AMENDMENT TO A CERTAIN JOINT POWERS AGREEMENT RELATED THERETO

WHEREAS, the Western Riverside Council of Governments ("Authority") is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the "Act") and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the "Authority JPA"); and

WHEREAS, Authority intends to establish the California HERO Program to provide for the financing of renewable energy distributed generation sources, energy and water efficiency improvements and electric vehicle charging infrastructure (the "Improvements") pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code ("Chapter 29") within counties and cities throughout the State of California that elect to participate in such program; and

WHEREAS, City of Ridgecrest (the "City") is committed to development of renewable energy sources and energy efficiency improvements, reduction of greenhouse gases, protection of our environment, and reversal of climate change; and

WHEREAS, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

WHEREAS, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the California HERO Program would promote the purposes cited above; and

WHEREAS, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency and independence, and in doing so cooperate with Authority in order to efficiently and economically assist property owners the City in financing such Improvements; and

WHEREAS, Authority has authority to establish the California HERO Program, which will be such a voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally made and entered into April 1, 1991, as amended to date, and the Amendment to Joint Powers Agreement Adding the City of Ridgecrest as an Associate Member of the Western Riverside Council of Governments to Permit the Provision of Property Assessed Clean Energy (PACE) Program Services within the City (the "JPA Amendment"), by and between Authority and the City, a copy of which is attached as Exhibit "A" hereto, to assist property owners within the incorporated area of the City in financing the cost of installing Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council finds and declares that properties in the City's incorporated area will be benefited by the availability of the California HERO Program to finance the installation of Improvements.

2. This City Council consents to inclusion in the California HERO Program of all of the properties in the incorporated area within the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the California HERO Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent and be secured by such contractual assessments.

4. This City Council hereby approves the JPA Amendment and authorizes the execution thereof by the Mayor.

5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the California HERO Program within the City, and report back periodically to this City Council on the success of such program.

6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority Executive Committee.

APPROVED AND ADOPTED THIS 5th DAY OF February, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, cmc, City Clerk

**AMENDMENT TO THE JOINT POWERS AGREEMENT
ADDING CITY OF RIDGECREST AS
AS AN ASSOCIATE MEMBER OF THE
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
TO PERMIT THE PROVISION OF PROPERTY ASSESSED CLEAN
ENERGY (PACE) PROGRAM SERVICES WITH SUCH CITY**

This Amendment to the Joint Powers Agreement (“JPA Amendment”) is made and entered into on the ___ day of _____, 2014, by City of Ridgecrest (“City”) and the Western Riverside Council of Governments (“Authority”) (collectively the “Parties”).

RECITALS

WHEREAS, Authority is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the “Joint Exercise of Powers Act”) and the Joint Power Agreement entered into on April 1, 1991, as amended from time to time (the “Authority JPA”); and

WHEREAS, as of October 1, 2012, Authority had 18 member entities (the “Regular Members”).

WHEREAS, Chapter 29 of the Improvement Act of 1911, being Division 7 of the California Streets and Highways Code (“Chapter 29”) authorizes cities, counties, and cities and counties to establish voluntary contractual assessment programs, commonly referred to as a Property Assessed Clean Energy (“PACE”) program, to fund certain renewable energy sources, energy and water efficiency improvements, and electric vehicle charging infrastructure (the “Improvements”) that are permanently fixed to residential, commercial, industrial, agricultural or other real property; and

WHEREAS, Authority intends to establish a PACE program to be known as the “California HERO Program” pursuant to Chapter 29 as now enacted or as such legislation may be amended hereafter, which will authorize the implementation of a PACE financing program for cities and county throughout the state; and

WHEREAS, City desires to allow owners of property within its jurisdiction to participate in the California HERO Program and to allow Authority to conduct proceedings under Chapter 29 to finance Improvements to be installed on such properties; and

WHEREAS, this JPA Amendment will permit City to become an Associate Member of Authority and to participate in California HERO Program for the purpose of facilitating the implementation of such program within the jurisdiction of City; and

WHEREAS, pursuant to the Joint Exercise of Powers Act, the Parties are approving this JPA Agreement to allow for the provision of PACE services, including the operation of a PACE financing program, within the incorporated territory of City; and

WHEREAS, the JPA Amendment sets forth the rights, obligations and duties of City and Authority with respect to the implementation of the California HERO Program within the incorporated territory of City.

MUTUAL UNDERSTANDINGS

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter stated, the Parties hereto agree as follows:

A. JPA Amendment.

1. The Authority JPA. City agrees to the terms and conditions of the Authority JPA, attached.

2. Associate Membership. By adoption of this JPA Amendment, City shall become an Associate Member of Authority on the terms and conditions set forth herein and the Authority JPA and consistent with the requirements of the Joint Exercise of Powers Act. The rights and obligations of City as an Associate Member are limited solely to those terms and conditions expressly set forth in this JPA Amendment for the purposes of implementing the California HERO Program within the incorporated territory of City. Except as expressly provided for by

the this JPA Amendment, City shall not have any rights otherwise granted to Authority's Regular Members by the Authority JPA, including but not limited to the right to vote on matters before the Executive Committee or the General Assembly, the right to amend or vote on amendments to the Authority JPA, and the right to sit on committees or boards established under the Authority JPA or by action of the Executive Committee or the General Assembly, including, without limitation, the General Assembly and the Executive Committee. City shall not be considered a member for purposes of Section 9.1 of the Authority JPA.

3. Rights of Authority. This JPA Amendment shall not be interpreted as limiting or restricting the rights of Authority under the Authority JPA. Nothing in this JPA Amendment is intended to alter or modify Authority Transportation Uniform Mitigation Fee (TUMF) Program, the PACE Program administered by Authority within the jurisdictions of its Regular Members, or any other programs administered now or in the future by Authority, all as currently structured or subsequently amended.

B. Implementation of California HERO Program within City Jurisdiction.

1. Boundaries of the California HERO Program within City Jurisdiction. City shall determine and notify Authority of the boundaries of the incorporated territory within City's jurisdiction within which contractual assessments may be entered into under the California HERO Program (the "Program Boundaries"), which boundaries may include the entire incorporated territory of City or a lesser portion thereof.

2. Determination of Eligible Improvements. Authority shall determine the types of distributed generation renewable energy sources, energy efficiency or water conservation improvements, electric vehicle charging infrastructure or such other improvements as may be authorized pursuant to Chapter 29 (the "Eligible Improvements") that will be eligible to be financed under the California HERO Program.

3. Establishment of California HERO Program. Authority will undertake such proceedings pursuant to Chapter 29 as shall be legally necessary to enable Authority to make contractual financing of Eligible Improvements available to eligible property owners within the Program Boundaries.

4. Financing the Installation of Eligible Improvements. Authority shall develop and implement a plan for the financing of the purchase and installation of the Eligible Improvements under the California HERO Program.

5. Ongoing Administration. Authority shall be responsible for the ongoing administration of the California HERO Program, including but not limited to producing education plans to raise public awareness of the California HERO Program, soliciting, reviewing and approving applications from residential and commercial property owners participating in the California HERO Program, establishing contracts for residential, commercial and other property owners participating in such program, establishing and collecting assessments due under the California HERO Program, adopting and implementing any rules or regulations for the California HERO Program, and providing reports as required by Chapter 29.

City will not be responsible for the conduct of any proceedings required to be taken under Chapter 29; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any bonds issued in connection with the California HERO Program.

6. Phased Implementation. The Parties recognize and agree that implementation of the California HERO Program as a whole can and may be phased as additional other cities and counties execute similar agreements. City entering into this JPA Amendment will obtain the benefits of and incur the obligations imposed by this JPA Amendment in its jurisdictional area, irrespective of whether cities or counties enter into similar agreements.

C. Miscellaneous Provisions.

1. Withdrawal. City or Authority may withdraw from this JPA Amendment upon six (6) months written notice to the other party; provided, however, there is no outstanding indebtedness of Authority within City. The provisions of Section 6.2 of the Authority JPA shall not apply to City under this JPA Amendment.

2. Mutual Indemnification and Liability. Authority and City shall mutually defend, indemnify and hold the other party and its directors, officials, officers, employees and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of the willful misconduct or negligent acts, errors or omissions of the indemnifying party or its directors, officials, officers, employees and agents in connection with the California HERO Program administered under this JPA Amendment, including without limitation the payment of expert witness fees and attorneys fees and other related costs and expenses, but excluding payment of consequential damages. Without limiting the foregoing, Section 5.2 of the Authority JPA shall not apply to this JPA Amendment. In no event shall any of Authority's Regular Members or their officials, officers or employees be held directly liable for any damages or liability resulting out of this JPA Amendment.

3. Environmental Review. Authority shall be the lead agency under the California Environmental Quality Act for any environmental review that may required in implementing or administering the California HERO Program under this JPA Amendment.

4. Cooperative Effort. City shall cooperate with Authority by providing information and other assistance in order for Authority to meet its obligations hereunder. City recognizes that one of its responsibilities related to the California HERO Program will include any permitting or inspection requirements as established by City.

5. Notice. Any and all communications and/or notices in connection with this JPA Amendment shall be either hand-delivered or sent by United States first class mail, postage prepaid, and addressed as follows:

Authority:

Western Riverside Council of Governments
4080 Lemon Street, 3rd Floor. MS1032
Riverside, CA 92501-3609
Att: Executive Director

City:

City of Ridgecrest
100 W. California Ave.
Ridgecrest, California 93555

6. Entire Agreement. This JPA Amendment, together with the Authority JPA, constitutes the entire agreement among the Parties pertaining to the subject matter hereof. This JPA Amendment supersedes any and all other agreements, either oral or in writing, among the Parties with respect to the subject matter hereof and contains all of the covenants and agreements among them with respect to said matters, and each Party acknowledges that no representation, inducement, promise of agreement, oral or otherwise, has been made by the other Party or anyone acting on behalf of the other Party that is not embodied herein.

7. Successors and Assigns. This JPA Amendment and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns. A Party may only assign or transfer its rights and obligations under this JPA Amendment with prior written approval of the other Party, which approval shall not be unreasonably withheld.

8. Attorney's Fees. If any action at law or equity, including any action for declaratory relief is brought to enforce or interpret the provisions of this Agreement, each Party to the litigation shall bear its own attorney's fees and costs.

9. Governing Law. This JPA Amendment shall be governed by and construed in accordance with the laws of the State of California, as applicable.

10. No Third Party Beneficiaries. This JPA Amendment shall not create any right or interest in the public, or any member thereof, as a third party beneficiary hereof, nor shall it authorize anyone not a Party to this JPA Amendment to maintain a suit for personal injuries or property damages under the provisions of this JPA Amendment. The duties, obligations, and responsibilities of the Parties to this JPA Amendment with respect to third party beneficiaries shall remain as imposed under existing state and federal law.

11. Severability. In the event one or more of the provisions contained in this JPA Amendment is held invalid, illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed severed from this JPA Amendment and the remaining parts of this JPA Amendment shall remain in full force and effect as though such invalid, illegal, or unenforceable portion had never been a part of this JPA Amendment.

12. Headings. The paragraph headings used in this JPA Amendment are for the convenience of the Parties and are not intended to be used as an aid to interpretation.

13. Amendment. This JPA Amendment may be modified or amended by the Parties at any time. Such modifications or amendments must be mutually agreed upon and executed in writing by both Parties. Verbal modifications or amendments to this JPA Amendment shall be of no effect.

14. Effective Date. This JPA Amendment shall become effective upon the execution thereof by the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this JPA Amendment to be executed and attested by their officers thereunto duly authorized as of the date first above written.

[SIGNATURES ON FOLLOWING PAGES]

Exhibit A

Hero Program Summary

BACKGROUND:

Assembly Bill (AB) 811 was signed into law on July 21, 2008, and AB 474, effective January 1, 2010, amended Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“Chapter 29”) and authorizes a legislative body to designate an area within which authorized public officials and free and willing property owners may enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources, energy efficiency, and/or water conservation improvements that are permanently fixed to real property, as specified. The financing for these improvements has come to be known as PACE, which stands for Property Assessed Clean Energy.

The HERO Program (for PACE financing) has been very successful in Western Riverside County, since its launch in late 2011; the Program has approved over \$400 million in applications and has funded over \$100 million in projects. . Because of its success, the California HERO Program is now being offered to provide additional California cities and counties with a turnkey program that saves significant time, cost and local resources that would otherwise be needed to develop a new local program. Jurisdictions only need to adopt the form of resolution accompanying this staff report and approve an amendment to the joint exercise of powers agreement, related to the California HERO Program, and provided as an attachment to the resolution.

ANALYSIS:

The California HERO Program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments (“WRCOG”). The bonds are secured by a voluntary contractual assessment levied on such owner’s property, with no recourse to the local government or other participating jurisdictions. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

The benefits to the property owner include:

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. As such many property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy prices continue to rise and selecting in energy efficient, water efficient and renewable energy improvements reduces utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. Under Chapter 29, a voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment option. The property owner can choose to pay off the assessments at any time, subject to applicable prepayment penalties.
- Customer oriented program. Part of the success of the program is the prompt customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contactor satisfaction.

The benefits to the City include:

- Increase local jobs.
- An increase in property values (energy efficient homes and buildings are worth more money).
- An increase in sales, payroll and property tax revenue
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All California HERO Program and assessment administration, bond issuance and bond administration functions are handled by California HERO. Little, if any, City staff time is needed to participate in the California HERO Program.
- By leveraging the already successful HERO Program, the City can offer financing to property owners more quickly, easily and much less inexpensively than establishment of a new local Program.

The proposed resolution enables the California HERO Program to be available to owners of property within our City to finance renewable energy, energy efficiency and water efficiency improvements and electric vehicle charging infrastructure. The resolution approves an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member

in order to enable the California HERO Program to be offered to the owners of property located within the City who wish to participate in the California HERO Program

Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac

PACE enabling legislation was adopted by the State of California to encourage the adoption of energy efficiency, renewable energy and water efficiency measures on homes and businesses. When the legislation was enacted, many people believed PACE was an attractive financing option due to its ability to automatically transfer payments to a new owner if the property sold.

In response to the Directive issued by the FHFA on July 6, 2010 and implemented, in part, by Fannie and Freddie (Government Sponsored Entities, GSEs) on August 31, 2010, mortgage originators were informed that the GSEs would not be purchasing any mortgages with PACE liens.

In response to this, the State of California and other entities filed lawsuits against FHFA. The original intent of the lawsuit was to amend or dismiss the Directive by requiring that FHFA follow the rulemaking procedures as set forth under the Administrative Procedure Act. On October 16, 2010, the District Court issued a judgment which required FHFA to go through the rule making procedures. However, the trial court ruled that the FHFA's Directive would continue in effect. FHFA filed an appeal with the Ninth Circuit Court of Appeal, seeking to overturn the judgment requiring the FHFA to go through the rule making procedures. On March 19, 2013, the Ninth Circuit Court of Appeals ruled that the FHFA did not have to follow the rule making procedures in order to issue the Directive and dismissed the case. Thus, the FHFA does not need to go through the rule making procedures.

In the July 6, 2010 statement issuing the Directive, FHFA supported PACE programs whose assessments are junior/subordinate to Fannie/Freddie's mortgage interests. The statement also directed Fannie/Freddie to implement the following additional actions:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance.

FHFA stated that “Nothing in this Statement affects the normal underwriting programs of the regulated entities or their dealings with PACE programs that do not have a senior lien priority.” To date neither Fannie nor Freddie have taken action to implement any of the additional actions contained in the Directive.

The PACE enabling legislation in California provides that PACE assessments, like traditional assessments levied by public agencies in California, are equal in priority as general property taxes and as such are senior to private debt on the property and thus have first liens/senior liens priority. However under federal law, the Ninth Circuit Court of Appeal, which includes California, in *Rust v. Johnson* (9th Circuit (1979) 597 F.2d 174) ruled that local government cannot collect payment of assessments if they impair loans insured or owned by Freddie/Fannie (“Conforming Loans”). The court ruled that if a federal government entity has a mortgage interest on a parcel subject to assessments or special taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to preserve the federal government mortgage interest. Thus under federal law as set forth in the opinion under *Rust v. Johnson*, assessments, including PACE assessments, placed on the property are not “first liens” or “senior liens” with respect to Conforming Loans. Disclosure of *Rust v. Johnson* has been provided for in Official Statements of Municipal Bond issuances for traditional assessment district and community facilities district bond issues since 1979, in a form similar to the following:

Portions of the property within the Assessment District may now or in the future secure loans. Any such loan is subordinate to the lien of the Assessments. However, (a) in the event that any of the financial institutions making the loan that is secured by real property within the Assessment District is taken by the Federal Deposit Insurance Corporation (“FDIC”), (B) the FDIC or another federal entity acquires a parcel subject to the Assessment lien, (C) the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or similar federal agency or instrumentality has a mortgage interest in a loan on property subject to the Assessment lien, and, prior thereto or thereafter, the loan or loans go into default, the ability of the City to collect the interest and penalties specified by state law and to foreclose the lien of a delinquent unpaid assessment may be limited.

Additionally, under federal law, subordinate liens to mortgages are permitted and cannot be blocked (See U.S. Code Title 12 Banks and Banking, Section 1701j-3). Thus, the impact of a PACE assessment being subordinate in effect to the interests of Fannie/Freddie by virtue of the ruling in *Rust v. Johnson* and the inability to prevent a person from putting a subordinate lien on their property may make it difficult for FHFA/Fannie/Freddie to impose additional Directives adversely affecting the property owner’s mortgage.

FISCAL AND STAFF IMPACTS:

There is no negative fiscal impact to the City's general fund will be incurred by consenting to the inclusion of properties within the City limits in the California HERO Program. All California HERO Program administrative costs are covered through an initial administrative fee included in the property owner's voluntary contractual assessment and an annual administrative fee which is also collected on the property owner's tax bill.

RECOMMENDED ACTION:

Adopt the attached Resolution approving an Amendment to the WRCOG Joint Powers Agreement to add the City as an Associate Member in order to authorize the City's participation in the California HERO Program, which will enable property owners to finance permanently fixed renewable energy, energy and water efficiency improvements and electric vehicle charging infrastructure on their properties.

ATTACHMENTS:

1. Resolution.

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-  Creating jobs
-  Saving energy
-  Improving properties
-  Lowering utility bills



What is California HERO?

- California HERO is a residential and commercial Property Assessed Clean Energy (PACE) Program
- Authorized by state law (AB 811 and AB 474)
- Allows jurisdictions to offer financing to property owners for the purchase and installation of energy efficiency, renewable energy, and water conservation improvements
- Financing to property owners is repaid over time through voluntary annual assessments on the property tax bill



Guiding principles

- Based on successful Program in Western Riverside County: Proven track record of experience
- PACE is a funding tool
- Regional / Statewide Program provides economies of scale
- Consistent funding is vital for Program success
- Simplicity of use is vital for broad acceptance
- Contractors in region familiar based on existing Program success
- Summary: Avoid duplication of effort with a single program instead of multiple and costly individual efforts
Provide a turnkey program at no cost to jurisdictions



Program partners

- Public Financial Management, Inc. – Financial Advisor
- Best Best & Krieger – Bond Counsel
- David Taussig & Associates – Assessment Administrator
- U.S. Bank / Deutsche Bank – Trustee
- Westhoff, Cone & Holmstedt – Placement Agent
- Renovate America – Residential Funding Partner
- Samas Capital – Commercial Funding Partner



Results (January 2012 thru November 2013)

Approved Apps: 14,300+

Approved Financing: \$487,000,000 (residential program) +
Commercial program just launching

Projects Completed: 6,700+

Projects Funded: \$123,000,000+

Largest Program in United States



Who qualifies to participate?

- Property owners may be individuals, associations, business entities, cooperatives
- Bottom line: Any qualifying owner paying property taxes
 - have clear title to property
 - be current on property taxes
 - be current on mortgage payments
 - have some equity in the property



Benefits to property owners



Provides access to financing that might not be available through traditional means such as equity loans, etc.



Provides “no-money-down” approach to financing improvements



Provides savings on utility bills



Repayment stays with property (most cases)



Examples of eligible improvements

- Heating and air conditioning
- Cool roofs
- Natural gas storage water heater
- Tankless water heater
- Windows and glass doors
- Outside irrigation
- Insulation
- Window filming
- Home sealing
- Lighting control systems
- Solar thermal systems (hot water)
- Solar thermal systems for pool heating
- Photovoltaic systems
- Low flush toilets



Contractors are key...



More than 1,100 participating in the Program

- Must have an active California State License Board (CSLB) license
- Must meet CSLB's bond and workers' compensation insurance requirements
- Must provide evidence of jurisdictional business license if no jurisdictional permit is required for project
- Must register on the website





REGISTERED CONTRACTOR



Participating contractor locations...

Benefits to participating jurisdictions



Economy

Creates / maintains construction-related jobs



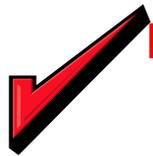
Energy

Reduces / delays the need for costly construction of energy generation / transmission facilities



Environment

Improves air quality and reduces greenhouse gas emissions



Financial

No local jurisdictional debt; funding is self-replenishing



How do jurisdictions join the California HERO Program?

Step 1: Jurisdiction needs to adopt a Resolution of Participation to join California HERO Program

- Initiation of validation process
- Once the validation is complete, property owners can begin applying
- 3 – 4 months to launch

Step 2: There is no Step 2!

- Your jurisdiction staff time requirements: Only related to normal permit processing



To summarize: The California Hero Program...

- Expands on a proven and successful program
- Boosts the economy through job creation
- Saves energy and utility costs
- Reduces greenhouse gases
- Partners with the private sector
- Already has contractors in the area familiar with the Program
- Requires no city/county staff or financial resources
- Has no liability for participating agencies
- *Is really easy to join!*



What happens when the owner sells the property?

- Assessment obligation **may** remain an obligation of the property upon sale depending on lender
 - DISCLOSURE, DISCLOSURE, DISCLOSURE

IN ADDITION, ON AUGUST 31, 2010, FANNIE MAE AND FREDDIE MAC STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED UNDER THIS PROGRAM, THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTIES MAY BE REQUIRED TO PREPAY SUCH ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

What's has happened thus far?

- 312 Refinanced and/or Sold
- 2 Required by Lender to Pre-Pay



Questions?

Contact Information:

Laura Franke, Public Financial Management, Inc.
(213) 404-0077 or email frankel@pfm.com

Rick Bishop, Western Riverside Council of Governments
(951) 955-8303 or e-mail bishop@wrcog.cog.ca.us

Barbara Spoonhour, Western Riverside Council of Governments
(951) 955-8313 or e-mail spoonhour@wrcog.cog.ca.us

Dustin Reilich, Renovate America, Inc.
(949) 237-0965) or email dreilich@herofinancing.com



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

SUBJECT:

A resolution of the Ridgecrest City Council authorizing the destruction of certain accounting records.

PRESENTED BY:

Rachelle McQuiston, Finance Director

SUMMARY:

The Local Government Records Management Guidelines as published by the California Secretary of State dated February 2006 was used to determine the retentions schedules of our records. This resolution authorizes the destruction of certain accounting records that have been identified as no longer useful to or needed by the City. These records are listed below.

Type of Record	Destruct Instructions	Number of Boxes
Payroll	FY07 and Before	34
Month Ends, Budget Adjustments, Adjusting Journals	FY08 and Before	9
Cash Receipts	FY08 and Before	9
Accounts Payable	FY08 and Before	25
		Total: 77

FISCAL IMPACT:

None. There is no cost for the destruction of these records.

Reviewed by: Assistant Finance Director

ACTION REQUESTED:

Authorize the destruction of all originals and copies of the documents as listed.

CITY MANAGER 'S RECOMMENDATION:

Action as requested:

Submitted by: Virginia Johnson

Action Date: Jan 22, 2014

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RESOLUTION NO. 14-

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING
THE DESTRUCTION OF CERTAIN ACCOUNTING**

WHEREAS, certain accounting records (listed above) have been identified as no longer useful to or needed by the City; and

WHEREAS, the City is not required to preserve these records.

NOW THEREFORE, the Ridgecrest City Council hereby authorizes and instructs the City Clerk and the Finance Division to destroy all the originals and copies of the accounting records listed above.

APPROVED AND ADOPTED this 5th day of February 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daniel O. Clark, Mayor

ATTEST

Rachel J. Ford, CMC
City Clerk

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

SUBJECT:

APPROVAL OF THE APPROPRIATION OF UNANTICIPATED REVENUE AND APPROVE CORRESPONDING APPROPRIATION INCREASES

PRESENTED BY:

Rachelle McQuiston, Finance Director/Agency Treasurer

BACKGROUND:

On July 14th, 2013 the Kerr McGee Youth Sports Complex concession stand burned down. Subsequently, a claim was submitted and on 01/16/2014, \$271,616 was received. The funds will be allocated to pay for the demolition of the building, purchase of a temporary structure, and anticipated rebuilding of the concession stand.

Recognize unanticipated revenue of \$271,616 and corresponding increase in appropriations of \$50,000 to Professional services and \$221,616 to Equipment.

FISCAL IMPACT: No Fiscal Impact

Reviewed by Finance Director

ACTION REQUESTED:

Approve appropriation of unanticipated revenue and authorize Finance to the specified adjustments.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Approve appropriation of unanticipated revenue and authorize Finance to the specified adjustments.

Submitted by: Rachelle McQuiston Finance Director

Action Date: 02/05/2014

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

SUBJECT:

APPROVAL OF THE APPROPRIATION OF UNANTICIPATED REVENUE AND APPROVE CORRESPONDING APPROPRIATION INCREASES FOR Tax Allocation Refunding Bonds (TAB) FUNDING

PRESENTED BY:

Rachelle McQuiston, Finance Director/Agency Treasurer

BACKGROUND:

On December 13th, the Department of Finance (DOF) issued a Finding of Completion, resulting in the release of \$25,370,591 in funding. This request is to realize the unanticipated revenue and increase appropriations in the appropriate funds.

Request to increase revenue and corresponding increase in appropriation of:

Fund 1 – General Fund \$1,500,000 for Parks and Recreation, Economic Development and Chamber of Commerce anticipated expenditures in FY 2013-2014.

Fund 2 – Streets for Road Improvements \$2,000,000 anticipated expenditures in FY 2013-2014.

Fund 18 – Capital Projects \$18,877,704 future budget year expenditures.

Fund 939 – RDA Successor Agency – Kern County payment of \$2,992,887.

Recognize unanticipated revenue of \$25,370,591 and corresponding increase in appropriations of \$1,500,000 to General Fund (1); \$2,000,000 to Streets (2); \$18,877,704 Capital Improvements (18); and \$2,992,887 RDA Successor agency (939).

FISCAL IMPACT: \$25,370,591

Reviewed by Finance Director

ACTION REQUESTED:

Approve appropriation of unanticipated revenue and authorize Finance to process the specified adjustments.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Approve appropriation of unanticipated revenue and authorize Finance to process the specified adjustments.

Submitted by: Rachelle McQuiston Finance Director

Action Date: 02/05/2014

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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 18, 2013

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 18, 2013

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

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**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY SUCCESSOR AGENCY,
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**December 18, 2013
5:30 p.m.**

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

CALL TO ORDER

Council Present: Mayor Dan Clark; Vice Mayor 'Chip' Holloway; Council Members Jim Sander; Lori Acton; and Steven Morgan

Council Absent: None

Staff Present: City Manager Dennis Speer; Deputy City Clerk Karen Harker; City Attorney Keith Lemieux; and other staff

ROLL CALL

- Chip Holloway and Jim Sanders were 15 minutes late to closed session.

APPROVAL OF AGENDA

Moved order of presentations as follows:

1. Certificates of achievement to IWV Seniors Football
2. Presentation of Service Awards to Employees
3. Presentation of the Fremont Valley Preservation Project
4. Presentation of the Pavement Management Study

Item Pulled

- Closed session item Conference with Legal Counsel – Potential Litigation – Public Disclosure of Litigant Would Prejudice the City of Ridgecrest pulled by City Attorney

Motion To Approve Agenda As Amended Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Voice Vote Of 3 Ayes; 0 Noes; 0 Abstain; And 0 Absent (Holloway And Sanders)

PUBLIC COMMENT – CLOSED SESSION

- None presented

Council Members Holloway and Sanders arrived.

CLOSED SESSION

- GC54956.9(d)(1) Conference with Legal Counsel – Liability Claim of John M. Speredelozzi, Claim No. 13-12
- GC54956.9(d)(1) Conference with Legal Counsel – Existing Litigation – City of Ridgecrest v. William Dale Howard
- GC54956.9(d)(1) Conference with Legal Counsel – Existing Litigation – William Dale Howard v. City of Ridgecrest
- GC54956.9(d)(1) Conference with Legal Counsel – City of Ridgecrest v. Matasantos
- GC54956.9(d)(1) Conference with Legal Counsel – Existing Litigation – Jim Hellebrandt, dba Hi-Desert Construction v. City of Ridgecrest
- GC54956.9(d)(2) Conference with Legal Counsel – Potential Litigation – Public Disclosure of Litigant Would Prejudice the City of Ridgecrest

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Claim No. 13-12, John M. Speredelozzi
 - Instructed staff to pay the claim
 - City of Ridgecrest v. William Dale Howard
 -
 - William Dale Howard v City of Ridgecrest
 - Federal court has dismissed the case
 - City of Ridgecrest v. Matasantos
 - Council instructed attorney to continue with lawsuit.
 - Jim Hellebrandt, dba Hi-Desert Construction v. City of Ridgecrest
 - Council retained city attorney to represent and defend the matter

City Attorney Report *(continued)*

- Undisclosed potential litigation
 - Pulled from discussion by City Attorney prior to approval of the agenda
- Other
 - None

PUBLIC COMMENT opened at 6:12 p.m.

Mike Neel

- Spoke on historic decision from court regarding Strange v. Federal Government
- Read excerpts from judge's statement regarding government's storage of phone data from citizens and privacy issues.
- Spoke on reports released by Bill Binney on spying programs for law enforcement and views of corruption of the justice system.
- Spoke on Supreme Court justice statements from the 1800's.
- Recommended to council to not include just business language but include protecting the rights and liberties of citizens during strategic plan discussions.

Dave Matthews

- Wished council and citizens Merry Christmas.
- Spoke on New Year getting worse before getting better both at City and County levels.
- Cautioned council that more lawsuits may be coming in the New Year.

Closed public comment at 6:19 p.m.

PRESENTATIONS

1. **Presentations Of A Proclamation And Certificates Of Appreciation To IWV Seniors Football Team Honoring Their Championship Achievement**
Holloway

Chip Holloway

- Council presented a proclamation and individual certificates of appreciation to the members of the IWV Seniors football team

2. **Council Presentation Of Service Awards To Staff Members Who Have Attained Employment Milestones**
Clark

Dan Clark

- Presented service awards to employees who have reach 5 or more years of service to the City.

3. Kern County Presentation Of The Fremont Valley Preservation Project

Lorelei Oviatt

Lorelei Oviatt

- Presented PowerPoint presentation to council about the Fremont Valley Preservation Project.

Steve Morgan

- Spoke on council educating them however the EIR was so large that Council Member Holloway and Council Member Morgan received a two hour presentation from various experts.
- Reviewed questions and comments with experts
- Learned there were more agencies involved in this project than Kern County, including LAHONTON, state department of fish and game and others.
- Learned about milestones which have not been met and must be met
- Not as concerned tonight as yesterday.
- Has more knowledge now of the project and the mitigation of water for the residences.
- Looks forward to the open forum in Ridgecrest and requested Dr. Kananie to bring a lot of documentation for the citizens attending.
- One point is 100% clear, was honored these experts were willing to sit down with council because they did not have to.
- What Ridgecrest concerns are does not matter, only the board of supervisors have authority
- Thanked Supervisor Gleason for attending tonight's meeting
- Water not banked shall not leave the boundaries of Kern county
- The board formed must have hydrologists on staff to monitor.
- Not going to placate everyone but county is going further than any other agency who has gathered this information
- Asked Lorelei if this was gathered from other agencies.
 - Lorelei commented on past experience and the process and MOU which was developed by Kern County.
 - The MOU is a contractual agreement which has been vetted by lawyers and the applicant does not have to sign if they want but the project does not move forward.
- Spoke on confusion in the amounts of water and the 7 million AF is based on study done. Asked how confident the staff at Kern County is on the amount of water believed to be in that area.
 - Lorelei – spoke on board of supervisors choosing their experts and receiving all the documents for review. County believes the information received by the hydro geologist is credible.
 - Spoke on certification of the EIR and other choices available
- Entire project is contingent on Aquahelio being able to find entities to buy the power and kern county entities to buy the water.

Lori Acton

- Thanked Lorelei for her work on this project and visiting Ridgecrest and providing information.
- Requested pertinent mitigation measures that have not been discussed.
 - Lorelei – end of the staff report breaks down the mitigation program.
 - Reviewed the mitigation measures for dust, committee, water banking extraction project.
 - Reviewed the restriction of 144,000 AF per year limitation.
 - Requirements to make sure the levels are not brought up too high and maintain balance to prevent flooding.
 - Requirements for permits and testing
 - Requirement for grading and building permits
 - Requirements for vector control
 - Requirements for birds and mosquitos
 - Looking to make sure each mitigation requirement covers every agency or argument that might occur in the future and language clarifies intent.
 - Require all point of sale be in unincorporated Kern County for sales tax purposes.
 - Require 25% local hire employment
- Is this the largest solar project proposed for the county?
 - Lorelei responded
- In scheme of things, specific plan for water produced by the project, discussed transmitting and does this encounter BLM and are they part of the conversation.
 - Lorelei – conveyance system is currently not defined and while mentioned clearly in the EIR, there will be requirements for subsequent EIR for conveyance.

Jim Sanders

- Thanked Lorelei for attending even though she did not have to be here. Presentation very informative.
- Requested clarification of relationship with water usage and solar project, especially water banking.
 - Only relation is on the same piece of property, but two separate projects.
- Kern County is great place to develop power generation.
- Main concern is the water.
- Asked what the risk of subsidence is and what can be done if it occurs.
 - Lorelei – will monitor and technical advisory committee will monitor to make sure subsidence is not occurring outside the owner's property.
 - Certain parameters will have to be established in the event natural disaster occurs.
 - Water banking is similar to money banking. Reviewed practice of trading and buying water based on storage capacity.

Jim Sanders *(continued)*

- Referenced MOU and water dedicated for use by county supervisors.
 - Lorelei – reviewed 10% of water extracted would be under the control of the board. Exemplified Keene who has trouble getting water.
 - Not tied together with the project, separate MOU
 - County extracted truly mitigated items and put into the county MOU.
- Thanked County for holding workshops in January

Chip Holloway

- Referenced meeting with Steve and experts and was pleasantly surprised.
- Overriding theme of putting together a public/private partnership in which every entity touched by the project has the opportunity to benefit from the project.
- Feedback and information received so far has come from opponents of the project, clear that most of the opponents are confused.
- If what you say is true and we can verify it then feel more comfortable with the project
- Referenced acre foot of water and asked public to understand the amount of money invested to date is 18 billion for first 10K feet.
- Basis of this project is the first 600 ft.
- Referenced drilling logs which show water present further down.
- Referenced rumors of earthquake shifting Underground River but real reason for no longer growing alfalfa is due to costs.
- If EIR is approved, does not give the go ahead. What happens if EIR is approved and the other MOU's do not go forward?
 - Gave several scenarios of the process.
 - In order to convey water, have to go to another public agency and do another EIR which Kern County will require same mitigations in a second EIR.
 - Scenarios bring everything back to board of supervisors protecting the rights of kern county property owner's water rights.
- Commented on transport of water from East Kern County to West Kern County creates the same animosity as if giving it to LADWP.
- Spoke on costs of buying water
- Profit motive at some portion of the project, what if Inyokern and Ridgecrest basin goes dry in 20 years. Ridgecrest could not finance enough to get the water. Who's going to pay for the conveyance?
- If numbers can be verified then could be a positive project for the region.
- Study and numbers are verified independently and available as public record.
- Knowing LAHONTAN water district has to approve the project is good
- As community need to base information on verifiable facts. If everything heard is true then a positive benefit for the community.

Dan Clark

- City of Ridgecrest is overdraft at 20 million per year, who made the decision that 114,000 AF is a viable number? Water flows downhill and if so, then how does Ridgecrest not be affected?
 - Numbers came from the applicant and county will be evaluating
 - EIR has determined there is no connectivity between the Ridgecrest basin and Fremont basin
 - Ridgecrest is upstream so water is pumped by Ridgecrest first
 - Water becomes the future in kern county, will not get water back from northern or southern California so need to think strategically over next 10+ years in kern county.
 - Asked council to think regionally and in the terms of Kern County.
 - Discussion of a water treatment facility which could treat and reuse processed water.
 - Reassured council and citizens that if board of supervisors turns project down then fine.
- Asked who would be first, second, third in line for the water and what is the market rate?
 - Unknown at this time. Market issue which has not been determined, however existing users have first priority and cannot be harmed.
- Asked if the water in east Kern County could only be transported within east Kern County.
 - Water ordinance states is for the benefit of Kern County, does not define east or west.
 - To convey water outside Kern County must have a conditional use permit and EIR. Due process for people to go through.

Chip Holloway

- Read a list of use priorities and asked Lorelei to confirm the order.
 - Part of the applicants design and county will hold them to it.

Dan Clark

- Asked if Ridgecrest would be a part of the joint powers authority
 - Applicant request and not a requirement of the board of supervisor's consideration at this time.
- Listed project partners listed on PowerPoint from applicant
 - Lancaster is power only, applicants list and not a list of the board of supervisors
- Commented that Ridgecrest wants to be a part of the decision making and joint powers authority to protect our future.
- Commented on earthquake possibilities and questioned if this affects the closed basin concept

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

December 18, 2013

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Dan Clark *(continued)*

- Lorelei – uncertainty part of an EIR, exemplified Keene lack of water due to earthquakes. Cannot make promises but conclusion is to monitor annually but cannot be mitigated.
- Ridgecrest downwind from the project and air pollution concerns
 - Mitigation measures for large scale solar cannot grade large portions and have to use coverage's
 - Applicant must fund sand fences for protection
 - Multiple measure for solar have been included in the requirements.
 - Willow springs area has not experience issues for water banking and planting of clover helps reduce evaporation
 - This project would have strict restrictions.

Keith Lemieux

- Mentioned Rosemond and Edwards of being potential water partners, hypothetically if Rosemond bought water and crossed county line, is it considered export?
 - Rosamond basin does not cross the county line. Secondly still remains contractually native water and could not be moved outside Kern County.
- Is there a native safe yield developed for this project
 - 17,000 AF is considered safe yield.
- Is it correct this is considered mining of the water?
 - Correct, is taking it out the ground
- As soon as this happens then rights convert from appropriate to descriptive and have to file a suit to prevent this from happening
 - This is legal matter, adjudication left to attorney

Lori Acton

- 114k AF per year for total of 1 million AF over 20 year life of project, worst case scenario, is this locked in and will never go beyond 1 million AF
 - Lorelei – this EIR has set the 1 million however future project possibility is a water treatment facility that would alter the levels later.
- Sand fences don't work very well, who will be responsible for maintaining after 30 years.
 - Sand situation will decrease because sand migration will be taken out by the project.

Chip Holloway

- Water banked in will be tested for higher quality
 - Correct
- Water component is part of the project or project does not go forward
 - Applicants decision
- Statement of applicant having right to take as much as possible.
 - Legal matter, they have the right to take as much as the law allows.
 - Board of supervisors cannot dictate authority over legal issues.

Recess for 10 minutes

Public Comment Opened at 8:16 p.m.

Phil Salvatore

- Board of supervisors select the experts
- Referenced surveys which claim between 2.5 AF capacity and 4.8 AF capacity
- Proposed capacity is equivalent to pyramid reservoir
- Commented on information back to 1918 to present and wells going 200 ft. below ground level.
- Question unanswered, after pumping, statement of 10% loss and challenged that no water agency would walk away from 10% of the water
- John Muzak principle recited and loss of license to practice law
- John Muzak has been trying to get water from other districts and is involved in Aquahelio
- Spoke on investor from Beijing who brought in other investors
- Kern county reasons for doing the EIR is not to give more stringent mitigation measures but to attract investors to the project and increasing the tax basis
- Looking for adequate explanation of what will happen at the end of the project and who will fill the aquifer back up.
- Previous subsidence was from pumping for farming and agriculture.

Donna Thomas

- DIR public review and comment process was limited
- Attended the planning meeting where the subsidence report was submitted and not included in the original comment period
- Spoke on letters and studies which were not included in appendices
- East kern county comment letter was omitted from volume one and response letters were omitted from volume three
- Response letter dealt with subsidence and was referenced in other responses for 138 times yet responses were not included.
- Macintosh and associates submitted addendum which was not included
- Requested documents be recirculated for public review for public to see added documents
- Other comment letters stated the documents should be recirculated and the DIR was inaccurate
- Spoke on LAHONTAN letter stating current waste discharge is active and should be rescinded and requires soil analysis.
- Requested staff report given tonight.

Sophia Merck

- Watched EIR development and submitted letter regarding scoping and was surprised that none of her thoughts were addressed
- Has continued writing letters and most recent letter is in regards to 23 responses from Kern County with promises to forward to the board of supervisors
- Letters from Kern County and other responses were not at the referenced location
- Great concern that our concerns were not met
- The PR for the money making attempt, people in Cantil and Fremont valley are being ignored
- Advocates for the project have visited council but have not met with the residents of Cantil
- Money to be made by extraction but not talking to the people whose wells will be deeply affected
- Randsburg and Johannesburg receive water from Fremont valley
- When neighbor's house drops below the sand it affects the property values and dust issues impacts highways and residents

Trisandra Creed

- Fourth generation Cantil resident
- Thanked council for listening because residents have had no representation in the bullish process
- Named families who have lived in the area for 100's of years and community members are being lost
- This is a water grab piggy backing on a solar project
- What if this was happening to you, what if someone wanted to bank your aquifer
- No one is asking or talking to any of the residents
- Attended a meeting in Rosamond
- Pleading council and county to not allow this to happen
- Cannot afford to lose any more of the aquifer
- Water is good
- Citizens have heart failure and respiratory issues due to the dust and county does nothing
- Lack of indigenous plants and animals is due to the sand
- Does not trust the county's plan because of years of being mistreated
- Dust is coming from abandoned fields and does not make sense to build a solar field on top of it
- Pleading Ridgecrest to really look at the project and see what they are really doing.

Public Comment Closed At 8:39 p.m.

4. Presentation Of The Pavement Management Study

Speer

Dennis Speer

- Reviewed the Pavement Management Study and various treatment alternatives available.

Steve Morgan

- Because of opportunity we are going to have in reviewing street paving recommendations and the funds from TAB and Measure 'L', asked council to consider reconstituting the infrastructure committee
- May have to meet weekly to reach deadlines with available funds
- To some people this is like watching paint dry but to me is the Mona Lisa
- Emphasis needs to be stated that we have always known this was a fluid process with developing the list of streets to be paved or maintained
- Depending on what contractors tell us this list may change.
- There are economies of scale where we may be able to bundle a street project in a general area and realize cost savings.
- Look forward to having a collaborative group to get the projects going.

Lori Acton

- With TAB funds can we find alternative ways to stretch the funds?
 - Can look at alternative paving methods which may produce up to 4 times the number of streets.
- Volunteer to work on the infrastructure committee

Jim Sanders

- Costs listed in the funding schedule, do they reflect using alternative methods or based on standard construction
 - Modified costs are based on using alternative treatments where Willdan did not account for these methods
- Asked the cost of the previous study
 - \$30,000
- Does this study need to be repeated or is an update satisfactory
 - Good for up to 5 years.
- Asked why street repairs were so expensive
 - Labor costs and the price of oil controls other petroleum products
- Asked for clarification of prevailing wage and how it affects costs on street projects
 - As a general law city, required to use prevailing wage on projects.
 - Additionally every project requires engineering study
- Asked amount of TAB funding allocated for streets.
 - Currently being reviewed by staff and will come back with history of identified projects.

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

December 18, 2013

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Jim Sanders *(continued)*

- Spoke on future projections graph in the presentation. Interested in spending money now to bring streets up to a good PCI and save money in the future on maintenance.
 - Will bring recommendation forward.

Chip Holloway

- Commented on cost per mile and possible imbedded costs.
- Interested in doing projects in bulk and possibility of bringing in extra temporary staff to do the projects
- Need to allocate the funds and begin projects as quickly as possible.
- Spoke on city of Los Angeles budget with discretionary portion for streets and still having to go to taxpayers for billions of dollars for streets.
- Excited to move forward and willing to serve on the committee

Dan Clark

- Agrees with statements made and looking at doing ad hoc committee
- Wants to see signs on streets that say funded by Measure 'L'
- Can't wait to see the micro paves and west Ridgecrest Blvd. moving forward.

Public Comment opened at 9:31 p.m.

Mike Neel

- Asked daily independent to print the chart on the failed status of current streets
- Gave history of why we are here right now and the amount of politicking when TAB funds were first available and then parks got in the way
- Asked council to not do this again and get the streets done
- Commented on the curve and how much is lost each week we wait to begin repairs.
- Parks and quality of life issues and alleged promises for parks delayed spending funds on streets
- Need to spend as much on streets as possible rather than sucking funds out of citizens
- Look forward to seeing a sign on streets paved by Measure 'L'

Dave Matthews

- Looking forward to reinstatement of infrastructure committee because older residential streets are eroding now especially by increased traffic around schools due to free bus being taken away by the school district.
- Impact of increased traffic on residential streets is happening.

CONSENT CALENDAR

5. Adopt A Resolution Of The Ridgecrest City Council Releasing A Deferred Street Improvement Covenant From Parcels 1, 2, 3 & 4 Of Parcel Map 7124 In The City Of Ridgecrest, County Of Kern, State Of California And Authorizing The City Manager To Sign The Release Of Covenant Culp
6. Adopt A Resolution Authorizing The City Manager To Sign A Deferred Lien Agreement For Street Improvements For 1435 North Downs Street To Be Attached To The Parcel And Direct The City Clerk To Record The Lien Agreement With The County Recorder's Office Culp
7. Adopt A Resolution Allocating \$391,000 Of Tax Allocation Bond (TAB) Funds For The Power Pole Relocation Associated With The West Ridgecrest Boulevard Project Between Mahan Avenue And Downs Street And Authorize The City Manager, Dennis Speer To Sign The Southern California Edison Utility Relocation Agreement Contingent Upon The City Attorney's Review And Approval Culp
8. Approve A Resolution Requesting Authorization To Enter Into A Program Supplement Agreement No. 032-N With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And Authorize The City Manager, Dennis Speer, To Sign The Agreement For The Preliminary Engineering Of The Upgrade To Signals At Seven Intersections Throughout The City Of Ridgecrest Speer
9. Approve A Resolution Requesting Authorization To Enter Into Program Supplement Agreement No. 033-N With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R And Authorize The City Manager, Dennis Speer, To Sign The Agreement For The Preliminary Engineering Of The Upgrade Traffic Signals And Pavement Markings At Twelve Intersections Throughout The City Of Ridgecrest Speer
10. Adopt A Resolution Formally Approving The Procedure For Establishing Strategic Planning Priority Goals For The City Of Ridgecrest Speer
11. Approve A Minute Motion Authorizing A Letter Of Opposition For The Fremont Valley Preservation Project To The Kern County Board Of Supervisors Speer
12. Adopt A Resolution Authorizing A Loan Agreement Between The City Of Ridgecrest And The Ridgecrest Area Convention And Visitors Bureau McQuiston

13. Approval Of Draft Minutes Of The Regular Council Meeting Dated December 4, 2013 Ford

14. Approval Of Draft Minutes Of The Special Council Meeting Dated December 6, 2013 Ford

Items Pulled From Consent Calendar

- 7, 8, 11, and 12

Motion To Approve Consent Calendar items 5, 6, 9, 10, 13, and 14 Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; And 0 Absent.

Item 7 discussion

Dave Matthews

- Asked for clarification of funding to move the poles
 - Dennis Speer explained requirement to relocate utility poles and attorneys have established the poles were in place before incorporation so right of way did not exist, therefore cannot dispute what was presented so City must pay for relocation of the poles.

Item 8 discussion

Dave Matthews

- Asked what upgrades are being done for items 8 & 9
 - Signals lamps, size of the traffic signal lights are being increased and back plates have been damaged so will be replaced.
 - Item 9 is upgrading signs at the intersections and striping, stop bars.

Item 11 discussion

Chip Holloway

- Make clear this is not a letter of opposition but a letter of concern

Item 12 discussion

Mike Neel

- Packet listed a \$50k contribution which is inaccurate, more like \$150k
- Building says Ridgcrest City Hall not bank, why are we in the banking business
- If using my tax money, I want it used on streets
- This increased tax increased their revenue and I don't want my tax dollars giving loans.
- Feel this is improper and these funds should be used on infrastructure

Mike Neel *(continued)*

- Rachelle McQuiston had same concerns when first approached so reviewed. When improvement district was formed the city would normally pay for the setup of the district but RACVB took out a loan. We have a method of taking the payments from his proceeds. Additionally, we are receiving 10 times the return of investment on this loan than what we would normally receive if we invested in another manner. This should have been the city's initial responsibility to pay for the establishment of the RTID.
- Respectfully disagrees with the city's obligation to pay for the formation of the district.
- City is not here to make individual loans and will receive more return on the investment by paving streets now rather than waiting for them to erode further

Jim Sanders

- Asked for the background on the city's burden to pay for formation of the district
 - Common practice and industry standard for the city to pay the cost of formation. This was not the catalyst for moving forward but rather this is a good deal for the city and RACVB. We have a revenue stream we can withhold the money from whereas we would not have this from another individual.
- Asked why it was coming up now
 - Took time for the request to be researched.

Chip Holloway

- City sponsored RACVB for years and we funded from \$115k - \$160 per year until they took the initiative to form a tourism improvement district thereby saving the city general fund dollars and we receive a big benefit from it.
- Can't do mortgages because there is no nexus like we have with RACVB

Motion For Items 7, 8, 11, And 12, With Amendment Of \$391,000 To Item 7 And Amendment To Item Letter Of Concern Made By Council Member Morgan, Second By Acton. 5 Ayes, 0 Noes, 0 Abstain, And 0 Absent

DISCUSSION AND OTHER ACTION ITEMS

15. Codification Committee Update And New Member Appointment Sanders

Jim Sanders

- Presented staff report
- Want to create a new committee at the Council level and would like to be a member of the committee

Steven Morgan

- Will continue to serve on the committee

Dan Clark

- Support an Ad Hoc

Motion To Create An Ad Hoc Codification Committee And Appoint Jim Sanders And Steve Morgan As Members With Planning Commission To Appoint Two Members To Serve On The Committee Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; 0 Absent.

16. Receive And File The Ridgecrest Area Convention And Visitors Bureau (RACVB) Tourism Improvement District Annual Report Lueck

Jim McRea

- Presented staff report

Motion To Accept For Filing The Ridgecrest Area Convention And Visitors Bureau Annual Report On The Tourism Improvement District Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; 0 Absent.

17. Approve A Minute Motion Authorizing City Council Of The City Of Ridgecrest To Issue A Letter Of Support For Quad State Association To The Kern County Board Of Supervisors Morgan

Steve Morgan

- Presented staff report.

Motion To Approve Authorization For Staff To Draft And Send A Letter Of Support For Quad State Association To The Kern County Board Of Supervisors Made By Council Member Morgan, Second By Council Member Holloway. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; 0 Absent.

COMMITTEE REPORTS

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

Members: Jim Sanders, Dan Clark

Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center

Next Meeting: To Be Announced

Jim Sanders

- Meeting planned for January 14 at 4pm at Kerr McGee

Veterans Advisory Committee

Members: Dan Clark

Meetings: 1st and 3rd Monday of the Month At 6:00 p.m., Council
Conference Room

Next Meeting: To Be Announced

Dan Clark

- No report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway

Meetings: 1st Wednesday Of The Month, 8:00 A.M.

Next Meeting: Date and Location To Be Announced

Chip Holloway

- Meeting January 8 at Best Western at 8 am

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- none

CITY MANAGER REPORT

Dennis Speer

- Reminder that council may wish to cancel first meeting of January
 - Council agreed

MAYOR AND COUNCIL COMMENTS

Jim Sanders

- Good meeting today, a lot of progress
- Attended PACT meeting and was thanked for saying Merry Christmas
- Hope everyone enjoys Christmas day with family and loved ones

Lori Acton

- Showed picture sitting on Santa's lap
- Wished everyone a merry Christmas
- Thanked staff for what they do for council
- See everyone in 2014

MINUTES – RIDGECREST CITY COUNCIL/REDEVELOPMENT AGENCY - REGULAR

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Steven Morgan

- Thanked Lorelei Oviatt for giving the presentation, appreciated it and seemed like the best course of action
- Thanked representatives from Aquahelio and George Passantino for suggesting a sit down meeting
- Will send letter suggesting they sit down with residents of Cantil and Fremont valley
- We understand the global effects and appreciate council agreement to fight thru the documentation
- Giddy hearing Mike Neel say spend, spend, spend
- To staff of city of Ridgecrest, volunteers sincere wishes for a merry Christmas and happy New Year. Amazed by the amount of effort and work you put in and hope staff realize how much I appreciate them
- To residents including Inyokern have a safe holidays and happy new year

Chip Holloway

- Thanked Lorelei for coming here and for Aquahelio for sitting down with us. Every time you talked to someone the information changes but also with 15 years of experience reminds me of the high speed rail, if going to happen and be in our area need to get in the position of making the most beneficial and least painful for us
- Thanked council, McRea, and Chief Strand for catching me off guard with award from league of California cities. An honor that is appreciated
- Thanked staff for pulling off a great employee party
- This is the most optimistic I have felt in several years
- Can't wait for the complaints from citizens for detours during road projects
- Wished everyone a safe a merry Christmas
- Pull for LSU to win their game

Dan Clark

- Thanked everyone for pulling together
- Community and staff are awesome
- Wish everyone a very merry Christmas and happy new year

ADJOURNMENT at 10:12 pm

Rachel J. Ford, CMC, City Clerk

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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 January 15, 2014

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of January 15, 2014

FISCAL IMPACT:

None

Reviewed by Finance Director:

ACTION REQUESTED:

Approve minutes

CITY MANAGER 'S RECOMMENDATION:

Action as requested: Approve Draft Minutes

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**MINUTES OF THE REGULAR MEETING OF THE
RIDGECREST CITY SUCCESSOR AGENCY,
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**January 15, 2013
5:30 p.m.**

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

CALL TO ORDER

ROLL CALL

Council Present: Mayor Dan Clark; Vice Mayor 'Chip' Holloway; Council Members Jim Sander; Lori Acton; and Steven Morgan

Council Absent: None

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

APPROVAL OF AGENDA

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

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- No Report

PUBLIC COMMENT

Doug Lueck

- December 18, 2013 resolution of funds for RACVB
- Tough decision but will make interest for general fund and save interest for RACVB
- On behalf of RACVB and board of directors thanked council
- Spoke on the development of the tourism improvement district for the community and the loan obtained to do the development
- Thanked desert valley credit union and council for their support of the district

Jerry Taylor

- Spoke on the lack of street striping on Las Flores street, especially the bicycle lane.
- Expressed concern about lack of solid white line to remind vehicles of bicyclists.
 - Dennis Speer responded with Caltrans regulations with and without parking.
- Commented on observed impacts and parking issues for residents.
- Suggested at least painting the fog line to help give bicyclists boundaries.
- Concerned about pension costs for city employee retirement plans
- Commented on longevity increases coming by 2016
- Quoted statistics
- Spoke on pension reform and suggested council address the issue.

Dave Matthews

- Welcome to 2014
- Acknowledged passing of Former Mayor Howard Auld
- Wants to offer condolences to family in person at a memorial services
- Commented on Jerry Taylor's statements regarding street lines
- Two separate incidents recently of night driving and inability to see the lanes or striping.
- Spoke on pavement blending into the desert and stripes being useful to identify the road
- Commented some states use reflective tape and suggested this as a better solution than water soluble paint.

Closed public comment at 6:18pm

PRESENTATIONS

1. City of Ridgecrest Employee of the Year 2013

Clark

Council presented a plaque to Frances Lewis who was nominated and selected by employee to be the employee of the year for 2013

CONSENT CALENDAR

2. Approve A Resolution Scheduling The Date Of The Annual Unmet Needs Public Hearing And Authorizing The City Clerk To Advertise The Hearing
Speer
3. Adopt A Resolution To Award A Construction Contract For The Installation Of A Traffic Signal And Intersection Improvements At The Intersection Of China Lake Boulevard And Upjohn Avenue And Authorize The City Manager To Execute The Agreement
Speer
4. Adopt A Resolution To Approve A Professional Services Agreement With Willdan Engineering Inc. For The Preparation And Provision Of Utility Coordination, Plans, Specifications And Engineering For The Rehabilitation Of Sunland Avenue From East Ridgcrest Boulevard To Upjohn Avenue And Authorize The City Manager, Dennis Speer, To Execute The Agreement
Speer
5. Adopt A Resolution To Amend the Professional Services Agreement with The Engineer of Record, Mark Thomas & Company, Inc., for Final Design Wrap-up, Public Presentation, Bidding Assistance, and Construction Support of the West Ridgcrest Boulevard Project and Authorize the City Manager to Execute The Agreement
Speer
6. Adopt A Resolution Accepting A Temporary Construction Easement and Right of Way Dedication From Sierra Sands Unified School District for Sidewalk and A School Bus Stop At James Monroe Middle School And Authorizing The Mayor To Sign The Certificate Of Acceptance and Authorizing the City Clerk to Record the Documents
Speer
7. Adopt A Resolution Of The City Council Of The City Of Ridgcrest Authorizing The Director Of Public Works Or The City Engineer To Execute Right-Of-Way Certifications For Federally Funded Transportation Projects With The California Department Of Transportation
Speer
8. Adopt A Resolution Of The Ridgcrest City Council Authorizing The Application For And Acceptance Of The East Kern Air Pollution Control District - Department Of Motor Vehicle Emission Reduction Program Grant.
Strand
9. Approve A Resolution Amending The City Of Ridgcrest Classification Plan And Adopting The Payroll Technician I/II Job Specifications
McQuiston
10. Approve A Resolution Authorizing Budget Adjustment #14-01 – General Fund
McQuiston

11. Approval Of Budget Adjustment #14-02 - Adjustments To The FY2013-2014 Measure L Carryover Budget **McQuiston**

Items Pulled From Consent Calendar

- 4, 6, 10, and 11

Motion To Approve Items 2, 3, 5, 7, 8, and 9 Of The Consent Calendar Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Voice Vote Of 5 Ayes; 0 Noes; 0 Abstain; And 0 Absent.

Item 4 discussion

Jerry Taylor

- Requested clarification of completion of section of Sunland and asked when funding would be allocated
 - Dennis Speer – responded explaining what has been done to make the project shelf ready. This will be near the top of the list for council consideration of TAB funding

Item 6 discussion

Dave Matthews

- Asked for clarification of the project
 - Dennis Speer – responded with explanation of safe routes to school bus turn around project including location identified for the project development

Item 10 discussion

Chip Holloway

- Requested clarity of the contingency fund transfer and self-insurance fund transfer
 - Rachelle McQuiston – confirmed the self-insurance fund is from a different fund and does not come from general fund contingency

Item 11 discussion

Jim Sanders

- Suggested taking the \$88,026 for professional services and charge from TAB funds rather than Measure 'L'
- Commented public expectation is to use as much Measure 'L' funding as possible for street repair rather than engineering services.

Dan Clark

- Suggested amending the resolution to eliminate the reserve completely and use the funds to micro-pave a street rather than have a reserve
 - Rachelle McQuiston – clarified the suggested reserve change.
- Eliminate the carryover and reserve and use for paving streets

Steve Morgan

- Requested staff recommendation
- Clarified two suggestions and commented on staff working on future Measure 'L' allocations
- Believes there are good reasons and critical needs for these funds to be allocated as staff has recommended
- Spoke on the need to get projects shelf ready in order to use the Measure 'L' funds and TAB funds.

Jim Sanders

- Comment on Code Enforcement officer and understands the need for Code Enforcement
- Questions whether now is the right time with this particular fund of money and whether other sources might be found to fund Code Enforcement

Lori Acton

- Asked for the rationale for having a reserve versus the mayors suggestion
 - Rachelle McQuiston – not a proponent of spending every penny. Need a certain reserve for matching funds and contingencies
 - Dennis Speer – past couple of years the revenues from gas tax have been lowering and transit is requiring more of the TDA funding so less funding available for matching funds

Dan Clark

- Supports code enforcement officer
- Spoke on the \$181,533.73 reserve which could go toward paving streets

Public Comment

Phil Salvatore

- Requested clarification of TDA Article 4 funds which has not been spent
 - Rachelle McQuiston – gas tax was less than budgeted and would have to review the records on the TDA funding.
- Supports Code Enforcement being paid with Measure 'L' which falls within the guidelines of Measure 'L'
- Agrees with council member sanders on the engineering services being paid with TAB funding.

Jerry Taylor

- Requested clarification of the engineering services and projects to be developed
 - Dennis Speer – responded this was for the streets that cannot be micro-paved and projects for streets reconstruction
- Clarified this is not for other TAB projects, exclusive to street reconstruction
- Need to get planning and engineering done so when funds are available projects are ready to be completed
- Commented on Measure ‘L’ funding that was allocated for streets then taken away and used for public safety
- Need to have the plan in order to get things done on the streets
- What is lacking in the presentation is which street projects are being funded by this engineering service

Dave Matthews

- Suggested calling for motion on the other 3 items and table No. 11 for future agenda.

Jim Sanders proposed two amendments

Council Member Sanders made a motion proposing that the professional engineering Services in amount of \$88,026 me removed with the intent to fund the services with TAB funding. Motion did not receive a second.

Council Member Sanders made a motion to remove the code enforcement officer in amount of \$30,000. Motion did not receive a second.

Council Member Acton Made A Motion To Approve The Resolution Of \$183,026. Second By Council Member Holloway. Motion Carried By Voice Vote Of 4 Ayes, 1 Noes (Council Member Sanders)

Mayor Clark made a motion to eliminate \$181, 533.73 reserve and direct staff to micro-pave streets with the funding.

Rachelle McQuiston

- requested clarification of where the funding will be allocated
 - Dennis Speer – responded the funding would be allocated to the materials account

Lori Acton

- Inquired about matching funds. Stated it would be remiss to use these funds to pave streets when they could be used for matching funds to secure larger funding sources for paving roads.

Steve Morgan

- Do not disagree with premise of the motion, would really like to hear from staff on where these funds will be spent and avoid misinformation from the public
- Need to allow staff time to develop a project and have a discussion with staff on how to combine the funds and what to do with them
- Not ready to move forward tonight without hearing from staff on whether they believe it is beneficial or should we hold back and wait for a project that could leverage our dollars further

Chip Holloway

- Agree with Steve and am concerned with ability to leverage matching funds. Agree with the concept but would be upset if we missed out on an opportunity to gain more with some matching funds. Need more information

Jim Sanders

- Asked Mr. Speer for disadvantages to not having a reserve
 - Dennis Speer – no matching funds and no contingency funding available
- Requested other funding sources for matching funds
 - Dennis Speer – traffic impact fees and general fund
 - Rachelle McQuiston – will start paving streets in March and releasing these funds will not result in streets being paved faster. Could pave another street after allocated funding is spent
- Would rather see the reserve stay in place until more is known.

Dan Clark

- Commented on \$13 million available funding and Measure 'L' being a defined pot of money
- Stated that there is a certain pride in being able to pave more streets as soon as possible
- Question a reserve for matching funds
 - Dennis Speer – attended Measure 'L' meeting and observed a loss of intention between Measure 'L' and TAB. Infrastructure committee scenarios of 5 year list for street paving which assumed TAB funding. Recalled recommendation of being able to maintain the streets at \$1.5 million annually. Measure 'L' funds was intended for the continued maintenance

Lori Acton

- The word reserve is not intended for long term, does not think rushing out and spending all of it at this time is a good idea
- Not about long-term reserves but rather holding until we need it.

Jerry Taylor

- Spoke on comments of repaving during certain temperatures.
- Questioned Mr. Speer on how many TAB projects are currently shovel ready
 - Dennis Speer - 3 identified at this time but the remainder of the project list still needs engineering services.
- Requested value of the projects
 - Dennis Speer - Downs is shy of \$1 million, Sunland near \$550k and not sure of the other
- Commented to council that if engineering is not completed now then in reality will not be able to pave any more streets than the three identified. Takes time to get the engineering finished and be ready to construct

Phil Salvatore

- Agree with council to plan and bring back to a future council.
- The reserve was already whittled down and turned to deficit because of needs.

Dan Clark

- Motion pulled

Motion To Approve The Resolution As Presented Made By Council Member Acton, Second By Council Member Holloway. Motion Carried By Voice Vote Of 4 Ayes, 1 Noes (Sanders), 0 Abstain, And 0 Absent

Motion To Approve Items 4, 6, & 10 Made By Council Member Acton, Second By Council Member Morgan. Motion Carried By Voice Vote Of 5 Ayes, 0 Noes, 0 Abstain, And 0 Absent.

COMMITTEE REPORTS

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

Members: Jim Sanders, Dan Clark
Meetings: 3rd Tuesday of the Month at 4:00 P.M., Kerr-McGee Center
Next Meeting: To Be Announced

Jim Sanders – announced next meeting

Veterans Advisory Committee

Members: Dan Clark
Meetings: 1st and 3rd Monday of the Month At 6:00 p.m., Council Conference Room
Next Meeting: To Be Announced

Dan Clark – no report – announced next meeting

Ridgecrest Area Convention And Visitors Bureau (RACVB)

Members: Chip Holloway
Meetings: 1st Wednesday Of The Month, 8:00 A.M.
Next Meeting: Date and Location To Be Announced

Chip Holloway – read director’s report *(copy available in the city clerk’s office)*

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

None

CITY MANAGER REPORT

Dennis Speer

- Received email from district 9 that we have received E76 on west Ridgecrest Blvd. project which allows us to begin expending the funds
- League of cities is requesting letter of support in opposition of human trafficking
- Staff is prepared to return to council on February 5 with TAB project listing to clarify what projects were allocated by previous council
- Will be attending the League city manager conference so staff will be presenting the TAB project listing

MAYOR AND COUNCIL COMMENTS

Jim Sanders

- Grieved at the passing of Former Mayor Howard Auld and looking back on time as a planning commissioner had many conversations with both Howard and Barbara Auld. This is a great loss to this community

Chip Holloway

- Echo condolences to the Auld family. Don’t know anyone who lived a fuller life and sacrificed a lot to help this community. Losing a lot of people who are retiring and moving away and it’s getting harder to keep people involved.
- Barbara is doing good, has a great attitude
- Attended meeting in Bakersfield about creating healthy communities one street at a time. Some incredible ideas that I will begin talking with staff about. Commented on round about versus stop lights
- Curb café’s might be a good idea for Balsam Street
- Spoke on requirement for garages being behind the house which creates a different atmosphere in communities
- Spoke on more seeking grant funding.

Steven Morgan

- Great loss to this community in losing Howard Auld and true that as this continues with citizens there is a need to find other concerned citizens who can continue to do what is best for this community
- Believe there are people out there who can replace Howard. Sometimes we (council) succeed or fail but always with the best intention and hope we continue to move in the right direction
- Have turned a page on infrastructure, need to reconstitute the infrastructure committee. I am not going to push to be a member of the committee because a lot of the things that have already been put in place were a part of what I worked on in the past. Will be fascinated to see these things move forward
- Don't know how we can consider more detailed information on moving forward in the process for public information. Did not allow staff to talk tonight about the 3 issues but desperately need the engineer and service contracts.
- Could not get ourselves in a position to move forward without approving the funding tonight.
- Asked staff to consider more defensive staff reports showing council why we need to fund these things. Council came close to not passing this which would have been a mistake.

Lori Acton

- Howard Auld will be greatly missed. Unfortunately we will find out quickly what we are going to be able to do without him. Would like to see more young people get involved with the Community.
- Announced meetings at Jawbone Canyon

Dan Clark

- Howard, Barbara and the family are in our prayers and my heart goes out to them.
- Petroglyph festival meeting held and will provide agenda's.
- Entertaining possibility of attaining a marketing firm to help develop the Petroglyph Festival
- Concerned we made a mistake. Don't want to leave a window closed that we could open it and large segment of public won't understand why we went another year without paving a street.
- Infrastructure and quality of life committees, asked to be added to next council meeting to discuss TAB projects and make appointments.
- Thanked everyone for attending

ADJOURNMENT at 7:45 pm

Rachel J. Ford, CMC
City Clerk

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

SUBJECT:

Request to appoint a new member to the Planning Commission.

PRESENTED BY:

Matthew Alexander, AICP

SUMMARY:

The City is in receipt of a resignation, (effective January 1, 2014), from the Planning Commission by Pat Brokke. Ms. Brokke was nominated to the Planning Commission by Councilwoman Acton and confirmed by the City Council in December, 2012.

In order to maintain five members on the Planning Commission, it is requested that Ms. Acton nominate a member of the public to serve on the Planning Commission for a 10 month term, expiring on November 30, 2014. Said nomination must be confirmed by a majority of the City Council members present.

FISCAL IMPACT:

None.

ACTION REQUESTED:

Consider and act on nomination to the Planning Commission by Councilwoman Acton. .

CITY MANAGER 'S RECOMMENDATION:

Action as requested:

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

SUBJECT:

Tax Allocation Refunding Bonds (TAB) Project Review

PRESENTED BY:

James McRea

SUMMARY:

The sale of the TABs resulted in approximately \$24,900,000 from a \$34,380,000 issuance by the former Ridgecrest Redevelopment Agency. At the time of issuance, July 2010, the general intent of the bonds was clear, however, the specific dollar amounts and contract execution was intended to occur at a later date. When the Governor signed Assembly Bill 1X 26 in an effort to seize redevelopment funds to benefit state obligations, the future of these funds came into question. After a highly publicized legal battle, the law became effective with AB1484, as part of the state's FY 13 budget trailer bill process. The Department of Finance (DOF) has modified the process of funding by Tax Increment revenue by the Recognized Obligation Payment Schedule (ROPS) as approved by the Ridgecrest Redevelopment Successor Agency (RRSA) and the Oversight Board. The DOF also required due diligence audits and denied a Senior Citizen Apartment Project Loan in the approximate amount of \$3,000,000. That action is pending litigation and the City Council/RRSA authorized the repayment from TAB funds. Thus, the city was issued a Finding of Completion (Exhibit A) on December 17, 2013. The City is now permitted to utilize proceeds of the TAB in a manner consistent with the original bond covenants (Exhibit B) per HSC Section 3419.4 (a) (2). In anticipation of the release of the funds, staff requests that the City Council revisit the previous project list and assign more specific dollar amounts to specific projects and authorize staff to proceed with the implementation in accordance with two minute motions from July 18, 2012 (Exhibit C).

The attached Financial Plan TAB Project List Allocation (Exhibit E) reflects City Council prior approval and authorized expenditures. The summary shows a total of \$25,370,591, including the \$2,992,887 repayment to DOF. In the event, residual funds are available additional projects may be authorized. The Project Allocations will be adjusted as the City Council/RRSA approves specific contracts of the Project List.

Exhibits:

- 'A' - Finding of Completion by DOF
- 'B' - Official Statement for Issuance (portions only)
- 'C' - Minutes of the July 18, 2012 City Council/RRSA Meeting
- 'D' - Staff Report and Power Point of July 18 2012
- 'E' - Tax Allocation Refunding Bonds (TAB) Project List Allocation 2014

FISCAL IMPACT:

Prior approval of TAB funds expenditures.
Reviewed by Finance Director

ACTION REQUESTED:

Review and discussion of Financial Plan.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: James McRea

Action Date: February 5, 2014

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December 17, 2013

Mr. Gary Parsons, Economic Development Manager
City of Ridgecrest
100 W California Avenue
Ridgecrest, CA 93555

Dear Mr. Parsons:

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Ridgecrest Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

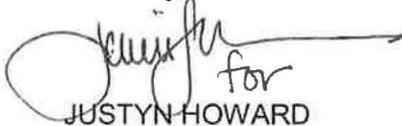
This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Andrea Scharffer, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,



for
JUSTYN HOWARD

Assistant Program Budget Manager

cc: Ms. Tess Sloan, Assistant Finance Director, City of Ridgecrest
Ms. Mary B. Bedard, Auditor-Controller, Kern County
California State Controller's Office

EXHIBIT A

Tax Allocation Bonds (TAB) funding for balance of Fiscal Year 2011

Pages 1 & 8 of the Official statement (portions only)

\$34,380,000
RIDGECREST REDEVELOPMENT AGENCY
RIDGECREST REDEVELOPMENT PROJECT
TAX ALLOCATION REFUNDING BONDS
SERIES 2010

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Ridgecrest Redevelopment Agency (the "Agency") of \$34,380,000 aggregate principal amount of the Agency's Ridgecrest Redevelopment Project, Tax Allocation Refunding Bonds, Series 2010 (the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of California (the "State"), including the Community Redevelopment Law (Part 1, Division 24, commencing with Section 33000 of the Health and Safety Code of the State) (the "Law") and an Indenture of Trust, dated as of June 1, 2010 (the "Indenture"), by and between the Agency and U.S. Bank National Association, as trustee (the "Trustee") approved by a resolution adopted by the Agency on June 2, 2010 (the "Resolution").

The Bonds will be sold to the Ridgecrest Financing Authority (the "Authority") pursuant to the Marks Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6484) of the California Government Code (the "JPA Law"). The Bonds purchased by the Authority will be resold immediately to E. J. De La Rosa & Co., Inc. (the "Underwriter"), all as further provided in the Bond Purchase Agreement, by and among the Agency, the Authority and the Underwriter. The Bonds are being issued to refund the \$7,860,000 Ridgecrest Redevelopment Project 1999 Tax Allocation Refunding Bonds currently outstanding in the amount of \$6,180,000, finance a portion of the costs of the Ridgecrest Redevelopment Project (the "Project Area"), fund (the "1999 Bonds") a reserve fund and to pay the costs of issuing the Bonds.

The Bonds are special obligations of the Agency payable from and secured by Pledged Revenues on a parity with the Agency's outstanding 2002 Tax Allocation Refunding Bonds (the "2002 Bonds").

(pg. 1)

THE FINANCING PLAN

The proceeds of the Bonds are expected to be used to refund the 1999 Bonds, which on the Delivery Date will be outstanding in the aggregate principal amount of \$5,965,000 and finance various projects within the Redevelopment Project. These projects include capital infrastructure improvements at (i) West Ridgecrest Boulevard (from China Lake to Mahan Street) that include design and construction of a new right-of-way, four lanes of traffic improvements, curbs, gutters and sidewalk, (ii) College Height Street (from Dolphin Avenue to Jarvis Avenue) consisting of design, reconstruction and widening and (iii) Norma Street design, reconstruction, curbs, gutters and sidewalk where necessary (including the design and reconstruction of the Bowman Channel culverts under Norma Street). Additional projects within the Project Area being funded include the design and construction of a corporate city yards facility, creation of an improvement, façade, business retention and Olde Towne Enhancement grant program and construction of and alternative solar energy facilities to provide power for the Civic Center.

The Agency does not expect that failure to complete the projects will have a material adverse impact on the Pledged Revenues. The Agency may use some or all of the Bond proceeds on other projects, as permitted by law.



**City of Ridgecrest, California
MINUTES OF THE REGULAR CITY COUNCIL AND
REDEVELOPMENT AGENCY MEETING
Of July 18, 2012**

A regular meeting of the City Council / Redevelopment Agency of the City of Ridgecrest, California was held on July 18, 2012 at 5:30 p.m. The following named members were present:

Mayor Ronald H. Carter; Mayor Pro-Tem Marshall 'Chip' Holloway; Vice Mayor Jerry Taylor; Council Members Jason Patin and Steven Morgan

DISCUSSION AND OTHER ACTION ITEMS

**12. Review and Finalization of the Tax Allocation Bond (TAB) Project List
Wilson**

Kurt Wilson

- Gave staff report reviewing what Tax Allocation Bonds
- PowerPoint presentation available in the City Clerk's office
- Reviewed State elimination of Redevelopment Agencies and the effect to the Tax Allocation Bonds Ridgecrest had previously sold.
- Clarified provisions of AS 1 x26 and recent bill signed by the governor (AB 1484)
- Reviewed process City has to follow and complete to be able to receive the funds from the tax allocation bonds.
- Reviewed history of the project list discussions previously held by Council and committees.
- Outlined project encumbrances already in place.
- Recommended priorities listed for funding with streets being the first priority.
- Referenced the pavement management study recommendations.
- Reviewed annual street pavement project lists from the pavement management study.
- Compared costs for alternate pavement methods
- Reviewed development agreements to complete other projects such as Wal-Mart and corporation yard.
- Reviewed miscellaneous projects that could also be funded but are more controversial than streets, Wal-Mart, and corporation yard.

EXHIBIT C

Jim Ponek

- Reviewed projects from Quality of Life recommendations
- Gave history of aquatics study and recommendations
- Reviewed estimated costs for Kerr McGee youth sports complex
- Reviewed Leroy Jackson sports complex estimated costs.
- Reviewed estimated costs for Pearson Park and Upjohn Park
- Reviewed total estimated costs for all parks not including the aquatics park.

Ron Carter

- Asked about expansion to Skate Park
 - Jim Ponek - previous suggested expansion was already cut with exception of small skate pad at Upjohn Park.

Jason Patin

- Current parks are sub-par and not being properly maintained.
- Looking for adequate plan on how we will continue to support and maintain the parks.
- Can't support adding to parks without knowing how it will be maintained in future.
 - Jim Ponek - reviewed the present maintenance employee situations and budget crisis. Recommend funding one full-time employee for every two fields.
 - Kurt Wilson - reviewed existing labor issues and possible contract labor for portions of the parks property which may reduce the workload for existing employees.
- With new facilities come decreased labor costs. Asked if maintenance could be managed with current labor force.
 - Jim Ponek - could not add new fields but with new scenarios could maintain.
- Asked how much more labor would be needed and the cost.
 - Jim Ponek - would recommend two full-time maintenance employees at approximately \$90,000 annually.
- Not against the plan but want to make sure it is done correctly and we can maintain the properties.
- City needs both streets and parks and we need to be responsible and take care of them.

Jerry Taylor

- Referred to the PMS study and the numbers used to complete the study recommendations.
- Numbers used are a minimum.
- Asked what monies built the parks and facilities which was already redevelopment dollars.
- Everything seen tonight will increase long-term costs which Council cannot afford.

Jerry Taylor *(continued)*

- Need to keep what we have today working but without everything being balanced should not be discussing.
- Roads recommendations decrease costs but parks projects increase costs.
- Asked for operational costs.
- Council has cut staff to the level of having to be creative to do a sub-standard job.
- Referenced challenges with minimum staff.
- Cannot support the parks proposal as it stands now without knowing the future costs and whether future Council's will be able to continue.
- Asked for the full cost to bring the road backlog current.
- Paving dirt roads adds new surface to our inventory.

Steve Morgan

- Necessary to get the Wal-Mart project which is part of the total roads.

Chip Holloway

- Not going to do all roads or all parks with this Council
- Fact we could do the pavement management system with less money, supports paving more lane miles providing we get a good balance and increase quality of life.
- Have a real problem with the pool and if we aren't going to do something then recommend closing the pool. If we do something with the pool it will still be down for a couple years.
- Feel the scenarios need to be in place before pursuing any parks projects.
- Would love to have the facilities leased and taken out of our hands.
- Want more lane miles paved.

Ron Carter

- Supports staff recommendations which is fair on all sides
- Would like to see a new pool
- Want to give staff direction and get this done before State changes their mind again and approve as much as we can tonight.

15 minute break

Kurt Wilson

- Recapped part one and part two of the presentation.
- Staff is hopeful Council will come to consensus on a full project list.
- Recognize Council may be comfortable with one part and if consensus on any portion would be recommended to lock that portion in at this time and continue to work on the other portions.

Jerry Taylor

- Asked when 3% administrative support would come into play.
 - Tyrell Staheli - does not apply to Bond projects.

Steve Morgan

- Have no problem with the street totals as presented
- Will be recommending putting more money into streets.
- Asked about an economic development discussion and obligations with contractors to move forward on economic development to create a tax base.
- Believe there should be a small portion of bond funds to continue with economic
- development.

Jason Patin

- Agreed to the economic development proposal

Chip Holloway

- Supports economic development proposal
- Would like to see China Lake Technologies agreement added

Jerry Taylor

- Agrees to economic development proposal and remove blight.

PUBLIC COMMENT

Jim Sanders

- Supports more funding for improving the roads. When talking about ball fields needing a rest, my car needs a rest.
- Is City still in a state of fiscal emergency and if so can we justify expanding this much in parks and recreation?
- Need to focus on the proper purpose of government such as maintaining public safety and infrastructure. Love parks and is enjoyable and attractive to community but if in a state of fiscal emergency cannot afford expansion in parks and recreation department.
- Encouraged Council to back off the parks plan at this time. Now isn't the time and adds insult to injury to the community by spending funds that are not a necessary function of the City.
- No to expansion and yes to repair of parks.

Stan Rajtora

- Appreciate positive comments by Council for increasing funds to be spent on roads
- Gave history of street pavement maintenance reports beginning 2003
- Expectations have been lowered from PCI of 90 to 60.
- Referred to various strategies used to develop the present Pavement Maintenance Study.
- Total cost to bring road to what they should be would be up to \$70 million so the proposed \$9 million isn't a big chunk of what would be needed to bring the road up to a higher PCI
- Referenced funds being back-loaded and suggested spending more the first year and less by the third year.
 - Kurt Wilson - recommendation for tonight is to front-load as much as possible by Council allocating a certain amount of money and then staff would proceed with the projects as quickly as possible.
- Suggested doing as much as we can before the State decides to take it away again.

Andy Anderson

- Requested adding \$83,000 to the police request now to fund year 4 of the police officers requested.
- Asked if the figures are based on current costs.

Dan Clark

- Dennis Speer - current figures with fluctuating costs for price of oil.
- Kurt Wilson - clarified costs and report used as a guide for Council to select benchmark. Not tied to Measure 'L' funds.
- Is impressed with the presentation from City Manager
- Encouraged Council to move forward.
- By breaking down into phases and passing that piece then come back with the areas that are not as clear can at least give direction to staff so they can move forward.

Steve Morgan

- No problem with streets with additional monies
- Wants to see Wal-Mart move forward
- In favor of expanding Youth sports complex
- Allocate enough money to fix Pinney Pool
- Fuzzy on the Pearson and Upjohn parks
- Leroy Jackson park and supportive of adding a third field at that location but not sure about the soccer field.
- Not comfortable with the entire parks package but agree with fixing what we have to keep maintenance costs about even.

Steve Morgan *(continued)*

- Supports funds for economic development, need more definition on what could be done with a couple million dollars to improve the vacant business properties.
- Want additional \$4.2 into streets
- \$2 million to economic development
- Completely fix/repair the pool
- Kerr McGee is priority
- Some work on Leroy Jackson

Jason Patin

- Willing to stick to the original list and figure out where to split the additional \$5 million that wasn't expected at that time.
- Parks are no different than any other infrastructure and can't kill them but need to know the continued maintenance costs.
- Economic development has same issues as BRAG process and major issues with trying to get people to come here. Major concern of people looking at coming here was for parks and public safety, not streets. Understand we need more money for streets but need to maintain the parks also to lower costs and attract people to move here.
- Supports putting funds into economic development to remove blight and attract businesses.

Ron Carter

- Will have BRAC again and need to be prepared and if community isn't attractive then will lose out on BRAC.

Chip Holloway

- If Council commits to allocate \$13 million for streets then \$11 million left to divide into other projects.
- Comfortable with Kerr McGee proposal.
- Not comfortable with the full parks plan.

Jason Patin

- Ok with going forward with restoration project in parks, not comfortable with expansion without knowing the on-going costs for maintaining the new facilities.
- Willing to support re-doing existing parks, not expansions. Fix what we have right now and save expansion on hold until continued maintenance projections for new facilities.

Kurt Wilson

- Staff recommendation is part one which includes streets, corp. yard, development agreement, and encumbered portions.

Jerry Taylor

- Agree with Mr. Holloway that we need to understand the costs of what we already have, and the cost of future maintenance of facilities. Fearful that we will add new stuff that we cannot maintain like the medians.
- Corporation yard is not \$3 million because we already have some funds. Other issues such as rehab of existing facility vs. new facility.
- Understand the desire for parks and support. Not willing to fund 100% of backlog on parks and only 15% of roads backlog.
- Willing to come back next week to have discussions. Concerned with building something bigger and better.

Ron Carter

- Add economic development and Kerr McGee to part one recommendation

Steve Morgan

- In agreement with that recommendation

Jerry Taylor

- Gave history of original list.

Ron Carter

- Part one but would like to add economic development, Kerr McGee, chamber of commerce, and Old Towne enhancement.
- Want to get as much done tonight so staff can get moving so State will not take it from us.

Jason Patin

- Sticking with original list.

Chip Holloway

- Supports Mayor's recommendation but add \$4.2 million to streets

Steve Morgan

- \$13 million streets
- \$2 million economic development
- \$100k for chamber of commerce
- \$2.527 Kerr McGee

Jim McRea

- Explained the current funding source and shortage

Kurt Wilson

- Reviewed the original presentation

Jerry Taylor

- *Motion to Approve the Part 1 List As Amended To Decrease Corp. Yard to \$2 Million Second By Steve. Motion Carried By Roll Call Vote Of 3 Ayes (Holloway, Taylor, And Morgan), 2 Noes (Carter & Patin), 0 Abstain, And 0 Absent*

Ron Carter

- *Motion to Approve Kerr McGee at 2.5 Million, Chamber Of Commerce at \$100k, And Economic Development at \$2 Million, Second By Morgan. Motion Carried By Roll Call Vote Of 3 Ayes (Carter, Holloway, And Morgan), 2 Noes (Patin & Taylor), 0 Abstain, And 0 Absent.*

Remaining balance will be discussed at the next Council

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

SUBJECT:

Discussion And Approval Of A Refined Project List For Tax Allocation Bond (TAB) Allocations

PRESENTED BY:

Kurt Wilson – City Manager

SUMMARY:

The former Ridgecrest Redevelopment Agency (Agency) authorized Tax Allocation Bonds on February 17 2010 for the purpose of funding several key infrastructure and economic development projects. The bond issuance process is highly complex and involves a number of variable factors. Consequently, the Agency could not determine, prior to bond issuance, the exact amount of revenues which would be raised. Additionally, determining the exact project costs often involves outside experts because it requires a deeper level on prediction and analysis than the current level of internal resources can provide. At the time of issuance, the general intent of the bonds was clear, however, the specific dollar amounts and contract execution was intended to occur at a later date.

When the Governor signed Assembly Bill 1X 26 in an effort to seize redevelopment funds to benefit state obligations, the future of these funds came into question. After a highly publicized legal battle, the law became effective earlier this year. A provision in the law permits local governments to expend these types of funds as they were originally intended unless it was impossible or illegal to do so. The bill also provided a type of veto authority for the State Department of Finance (DOF). While local governments interpreted the plain language of the law to enable the expenditure of those funds within the constraints, the DOF took a different position and determined that any funds that were not encumbered by an end-user contract were to be seized.

More recently, as part of the state's FY 13 budget trailer bill process, the Legislature approved AB 1484. Among other things, this bill clarified the ability of local governments to access and spend Tax Allocation Bond proceeds in certain circumstances. City staff believes that we have or will, in the near future, met those requirements and be able to access those funds.

In anticipation of the release of these funds, staff is requesting that the City Council revisit the previous project list, assign more specific dollar amounts to specific projects or provide a ranking system to guide staff, and authorize staff to proceed with the implementation of the projects that will have been selected by the city council.

ORIGINAL BOND LIST

Bond Refund		\$18,985,000
Capital Infrastructure Improvements		9,800,000
West Ridgecrest Blvd design	1,000,000	
Norma Street Improvements (South of Bowman to China Lake)	800,000	
College Heights area infrastructure improvements	1,325,000	
Sunland	500,000	
Bataan	125,000	
Bowman East of Silver Ridge	450,000	
College Heights/China Lake Signal	250,000	
Add't Infrastructure Street CIP Improvements	3,675,000	
Corporate City Yards, 636 W. Ridgecrest Blvd.	3,000,000	
Community Development		4,250,000
Agency Economic development, Business Retention, and/or Incentive Grant Program	2,750,000	
Agency Improvement, Façade, & Business Retention Olde Towne Enhancement/Grant Program	1,000,000	
Civic Center Solar Realignment Energy Project	500,000	
Parks and Recreation		4,935,000
Kerr McGee Sport Complex	Acquire Land	400,000
	Concession/Restroom/Storage	500,000
	Lighting on Football Field	125,000
	Rehab existing fields/fencing	200,000
	Parking /Road Development	<u>400,000</u>
	Estimated sub-total	1,625,000
Jackson Sport Complex	Concession/Restroom/Storage	200,000
	Lighting-Field Rehab & Tennis Crts	160,000
	Expand Skatepark-trick Bike Park	100,000
	Rehab Walking Trail/Concrete	<u>100,000</u>
	Estimated sub-total	560,000
Aquatics Complex	Estimated Phase I	2,750,000

Roads

A significant portion of the proceeds were intended to be allocated to street construction projects. A guide for this process can be found in the Pavement Management System study prepared in June 1, 2011. That study recommended approximately \$5 million in expenditures for each of the first three years followed by approximately \$1.5 million annually after that. The paving methods anticipated in the study, however, can be replaced by more modern techniques in approximately 2/3 of the projects. This will substantially reduce the project cost. As a result, the updated recommendation for full project implementation is:

old method	new method
Year 1	\$5 million
Year 2	\$5 million
Year 3	\$5 million
Year 4+	\$1.5 million

FISCAL IMPACT:

Reviewed by Finance Director

ACTION REQUESTED:

Council discussion and approval of a detailed project list for TAB funding allocations.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Council discuss, refine, and approve a detailed project list for TAB funding allocations

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

Kurt Wilson

Action Date: July 18, 2012

Tax Allocation Bond
Project List

Agenda Item #11

What is TAB?

- Tax Allocation Bond
- Former Redevelopment Agency Tax Increment
- Purposes aligned with RDA mission

History and Purpose

- Issued 2010
- Array of economic development and infrastructure-related projects

Allocation Requirements

- Bond Holders – consistent with assertions
- Statute – consistent with intent of issuance

AB 1X 26

- Intended to divert local funds to state gov't
- Eliminated RDA's
- Created Successor Agencies
- Outlined 'wind down' requirements
- Allowed TAB expenditures as 'intended'
- Over ruled by state Dept of Finance
- Frozen funds with ticking clock

AB 1484

- Clarify provisions of AB 1X26
- Provide enforcement ability to state
- Requires Additional Audits
- Requires Finding of Completion from state
- Specifically authorizes use of Bond Proceeds

Project List History

- Original Bond list was broad; did not yet know amount of available sale proceeds
- Various subsequent discussions by council and committees sought to specify list
- Committee actions only serve to advise council; have no authority
- Left confusion over authorized expenditures
- Council specifically authorized several projects

Original Bond List

- **Bond Refund \$18,985,000**
- Capital Infrastructure Improvements **9,800,000**
- West Ridgecrest Blvd design 1,000,000
- Norma Street Improvements (South of Bowman to China Lake) 800,000
- College Heights area infrastructure improvements 1,325,000
- Sunland 500,000
- Bataan 125,000
- Bowman East of Silver Ridge 450,000
- College Heights/China Lake Signal 250,000
- Add't Infrastructure Street CIP Improvements 3,675,000
- Corporate City Yards, 636 W. Ridgecrest Blvd. 3,000,000
- **Community Development 4,250,000**
- Agency Economic development, Business Retention, and/or Incentive Grant Program 2,750,000
- Agency Improvement, Façade, & Business Retention
- Olde Towne Enhancement/Grant Program 1,000,000
- Civic Center Solar Realignment Energy Project 500,000
- **Parks and Recreation 4,935,000**
- Kerr McGee Sport Complex Acquire Land 400,000
- Concession/Restroom/Storage 500,000
- Lighting on Football Field 125,000
- Rehab existing fields/fencing 200,000
- Parking /Road Development
- Estimated sub-total 1,625,000
- 400,000
- Jackson Sport Complex Concession/Restroom/Storage 200,000
- Lighting-Field Rehab & Tennis Crts 160,000
- Expand Skatepark-trick Bike Park 100,000
- Rehab Walking Trail/Concrete
- Estimated sub-total 560,000
- 100,000

THE FINANCING PLAN

The proceeds of the Bonds are expected to be used to refund the 1999 Bonds, which on the Delivery Date will be outstanding in the aggregate principal amount of \$5,965,000 and finance various projects within the Redevelopment Project. These projects include capital infrastructure improvements at (i) West Ridgecrest Boulevard (from China Lake to Mahan Street) that include design and construction of a new right-of-way, four lanes of traffic improvements, curbs, gutters and sidewalk, (ii) College Height Street (from Dolphin Avenue to Jarvis Avenue) consisting of design, reconstruction and widening and (iii) Norma Street design, reconstruction, curbs, gutters and sidewalk where necessary (including the design and reconstruction of the Bowman Channel culverts under Norma Street). Additional projects within the Project Area being funded include the design and construction of a corporate city yards facility, creation of an improvement, façade, business retention and Olde Towne Enhancement grant program and construction of and alternative solar energy facilities to provide power for the Civic Center.

The Agency does not expect that failure to complete the projects will have a material adverse impact on the Pledged Revenues. The Agency may use some or all of the Bond proceeds on other projects, as permitted by law.

Encumbered Funds

PROJECT NAME	Total Cost	Paid	Balance
Pearson Prk/Upjohn Park Upgrade	69,860	27,211	42,649
LJ & KM Sports Complex MP	335,905	192,493	143,412
R/C Blvd: Mahan -China Lake	1,000,000	-	1,000,000
Alleyway @ City Hall	50,000	12,860	37,140
Old Town Enhancement Program	50,000	37,340	12,660
Balsam St Branding	36,200	10,000	26,200
Balsam St Market	10,000		10,000
Land Acquisition	550,000	550,000	-
Aquatic Center Study	27,000	26,671	329
Traffic Signal at C/L and Upjohn	40,300	-	40,300
Road Improvement - Downs	192,048	-	192,048
Road Improvement - Downs	172,311	-	172,311
Road Improvement - College Height Blvd	189,212	-	189,212
	\$ 2,722,836	\$ 856,575	\$ 1,866,261

Recommended Priorities

- Public Safety (not affected by TAB)
- Streets
- Development Agreement Obligations
- Corporate Yard
- Parks and Recreation
- Other

Streets

- PMS calls for \$5M investment X 3 years then \$1.5 annually
- PMS based on traditional methods
- PW Director's alt paving reduce cost
- W. Ridgecrest Blvd 13-14 match & CM- \$2.25 M
- Sunland design - create shelf ready project \$30 K
- Downs Design to initiate UUD - \$122K
- Recommend \$9 million TAB

YEAR ONE PROJECT LIST

<u>Sec ID</u>	<u>Name</u>	<u>From</u>	<u>To</u>	<u>Length</u>	<u>Width</u>	<u>Lanes</u>	<u>TI</u>	<u>PCI</u>	<u>Cost</u>	<u>Alt. Cost</u>	<u>Cum Cost</u>	
100132	Downs St.	Bataan Ave.	Bowman Rd.	1332	66	4	10	26	217,182	65,155	65,155	Micropave
100141	Drummond Ave.	Inyo St.	Downs St.	1320	33	2	10	4	118,373	118,373	183,528	
100142	Drummond Ave.	Downs St.	Norma St.	2641	66	4	10	4	471,282	141,385	324,912	Micropave
100127	Dolphin Ave.	Mahan St.	Downs St.	2558	66	4	8.5	9	417,080	125,124	450,036	Micropave
100376	Norma St.	Las Flores Ave.	Drummond Ave.	2641	66	4	8.5	6	438,031	131,409	581,445	Capeseal
10084	China Lake Blvd.	College Heights	Bowman	1150	66	4	10	5	203,430	203,430	784,875	
100199	Gold Canyon Dr.	Benson Ave.	Hayden Ave.	581	36	2	8.5	0	56,055	16,816	801,692	Capeseal
100192	Gateway Blvd.	Bowman Rd.	Upjohn Ave.	2641	25	2	10	0	183,224	183,224	984,916	
100333	Mahan St.	Ward Ave.	Graaf Ave.	1250	44	2	8.5	0	148,312	148,312	1,133,228	
100130	Downs St.	China Lake Blvd.	Dolphin Ave.	1977	66	4	10	39	327,038	98,111	1,231,339	Micropave

YEAR TWO PROJECT LIST

100202 Gold Canyon Dr.	Ridgecrest Blvd.	250'N/Sandora St.	3961	36	2	8.5	0	404,339	121,302	1,352,641	Micro pave
100135 Downs St.	Ridgecrest Blvd.	Las Flores Ave.	2641	66	4	10	33	430,613	430,613	1,783,254	
100316 Las Flores Ave.	Kern St.	Downs St.	1930	61	2	8.5	9	296,290	88,887	1,872,141	Capeseal
100133 Downs St.	Bowman Rd.	Upjohn Ave.	2659	66	4	10	22	439,855	439,855	2,311,996	
10054 Bowman Road	China Lake Blvd.	Forest Knoll St.	3961	26	2	10	12	280,915	280,915	2,592,911	
100144 Drummond Ave.	China Lake Blvd.	Chelsea St.	1451	86	4	10	10	312,424	312,424	2,905,335	
100193 Gateway Blvd.	Upjohn Ave.	Church Ave.	1320	47	2	10	0	158,463	47,539	2,952,874	Micro pave
100532 Upjohn Ave.	Mahan St.	Guam St.	1320	36	2	8.5	10	123,030	36,909	2,989,783	Capeseal
100378 Norma St.	Ward Ave.	Inyokern Rd.	2641	66	4	8.5	4	450,664	135,199	3,124,982	Capeseal
100136 Downs St.	Las Flores Ave.	Drummond Ave.	2641	33	2	10	10	228,957	68,687	3,193,669	CS/MP
100331 Mahan St.	Las Flores Ave.	Drummond Ave.	2641	35	2	8.5	10	246,195	73,858	3,267,528	Micro pave
100496 Sunland Dr.	Ridgecrest Blvd.	Apache Ln.	1623	36	2	8.5	19	148,797	148,797	3,416,325	
100625 Bowman Road	Downs St.	850' W / China Lake Blvd.	54	26	2	10	15	3,816	3,816	3,420,141	
100437 Richmond Rd.	Upjohn Ave.	Ridgecrest Blvd.	2596	37	2	10	6	268,683	268,683	3,688,824	
100555 Ward Ave.	Mahan St.	Downs St.	2641	66	4	8.5	0	453,985	136,196	3,825,019	CS/MP
100535 Upjohn Ave.	Mahan St.	Downs St.	2596	37	2	8.5	11	252,756	75,827	3,900,846	Micro pave

YEAR THREE PROJECT LIST

100188	Franklin Ave.	Mahan St.	Ranger St.	2006	27	2	7	7	124,293	124,293	4,025,139	
10090	Church Ave.	Norma St.	China Lake Blvd.	2641	36	2	7	0	220,813	66,244	4,091,383	Capeseal
100312	Lorene Ct.	Cul-de-Sac	Mary St.	353	46	2	5	9	34,063	10,219	4,101,602	Micropave
100358	Marlene Ct.	Cul-de-Sac	Mary St.	353	46	2	5	10	34,063	10,219	4,111,821	Micropave
100211	Graaf Ave.	Sierra View St.	Begin Pavement	600	18	2	7	2	27,076	8,123	4,119,944	Micropave
100320	Lucille Ct.	Cul-de-Sac	Inyo St.	490	43	2	5	5	44,392	13,318	4,133,261	Micropave
100260	Inyo St.	Drummond Ave.	Vicki Ave.	500	36	2	7	11	38,415	11,525	4,144,786	Micropave
100508	Sierra View St.	Las Flores Ave.	Mamie Ave.	1545	36	2	7	10	118,703	118,703	4,263,489	
100252	Inyo St.	Ward Ave.	Graaf Ave.	1252	46	2	7	12	125,820	37,746	4,301,234	Capeseal
10045	Benson Ave.	Gemstone St.	Silver Ridge St.	528	36	2	5	7	41,250	12,375	4,313,609	Capeseal
100254	Inyo St.	Alene Ave.	Inyokern Rd.	579	40	2	7	2	51,486	15,446	4,329,055	Capeseal
100408	El Prado St.	Weiman Way	Ward Ave.	653	36	2	5	7	51,585	15,476	4,344,531	Micropave
100117	Cardigan Ave.	Chesapeake St.	Silver Ridge St.	495	36	2	5	0	39,219	39,219	4,383,750	
100420	Rader Ave.	Nevada St.	Downs St.	266	36	2	5	0	21,075	21,075	4,404,825	
100204	Gemstone St.	Benson Ave.	Hayden Ave.	581	36	2	5	0	46,033	13,810	4,418,635	Capeseal
10097	Chesapeake St.	Bowman Rd.	Rader Ave.	1198	36	2	5	0	98,103	98,103	4,516,738	
100225	Hayden Ave.	Gemstone St.	Silver Ridge St.	528	36	2	5	0	42,111	12,633	4,529,371	Capeseal
100551	Vicki Ave.	Downs St.	Randall St.	265	36	2	5	11	20,360	20,360	4,549,731	
100514	Stallion Way	Silver Ridge St.	Sorrel St.	264	36	2	5	31	20,283	20,283	4,570,014	

100253	Inyo St.	Graaf Ave.	Alene Ave.	606	40	2	7	11	52,371	15,711	4,585,725	Capeseal
10092	Church Ave.	Gold Canyon Dr.	Sunland St.	1995	36	2	7	35	153,276	45,983	4,631,708	Micropave
10082	Chelsea St.	Drummond Ave	Rowe Ave	1319	36	2	7	12	103,487	31,046	4,662,754	Capeseal
100406	Las Posas Ct.	Cul-de-Sac	Ward Ave.	495	36	2	5	16	38,031	11,409	4,674,164	Micropave
1009	Alvord St.	End of Pavement	Upjohn Ave.	624	36	2	5	10	47,942	47,942	4,722,106	
100524	Tamarisk Ave.	Mahan St.	Inyo St.	1357	36	2	5	11	104,259	31,278	4,753,383	Micropave
100259	Inyo St.	Denise St.	Tamarisk Ave.	655	36	2	7	48	50,324	50,324	4,803,707	
100261	Inyo St.	Hermosa Ave.	Ward Ave.	1821	36	2	5	7	147,800	44,340	4,848,047	Micropave
100292	Kinnett Ave.	Inyo St.	Downs St.	1299	36	2	5	1	102,450	30,735	4,878,782	Micropave
100484	Sanders St.	Boston Ave.	Upjohn Ave.	1519	36	2	5	0	123,996	123,996	5,002,778	
100550	Vicki Ave.	Carolyn St.	Downs St.	1987	36	2	5	0	162,199	162,199	5,164,977	
100479	Silver Ridge St.	Cul-de-Sac	Upjohn Ave.	1860	36	2	5	0	157,018	157,108	5,322,085	
100621	Tamarisk Ave.	Inyo St.	Downs St.	524	36	2	5	0	44,032	44,032	5,366,117	
100510	Sierra View St.	Sydnor Ave.	Ward Ave.	1320	36	2	5	7	115,219	115,219	5,481,336	
100307	Lakeland St.	Bowman Rd.	Cardigan Ave.	895	36	2	5	0	76,066	76,066	5,557,402	
10086	China Lake Blvd.	Bowman Rd.	Upjohn	2641	70	4	10	7	416,264	124,879	5,682,281	Capeseal
100469	Shelby Ct.	Cul-de-Sac	Kinnett Ave.	352	37	2	5	13	27,736	8,321	5,690,602	Micropave
100262	Iowa Ave.	Guam St.	Mahan St.	1269	36	2	5	30	97,498	29,249	5,719,851	Micropave
100457	Randall St.	Hurschell Ave.	Cul-de-Sac	1267	36	2	5	12	97,344	29,203	5,749,055	Micropave
1004	Alice Ave.	Cul-De-Sac	Peg St.	477	36	2	5	13	36,648	36,648	5,785,703	
100249	Hurschell Ave.	Randall St.	Scott St.	246	36	2	5	13	18,900	5,670	5,791,373	Micropave

100334 Mamie Ave.	Randall St.	Sherri St.	1723	36	2	5	7	132,379	132,379	5,923,752	
10067 Bryann Cir.	Mamie St.	Cul de sac	145	36	2	5	7	11,140	11,140	5,934,892	
100167 Fendrick Cir.	Mamie St.	Cul de sac	145	36	2	5	17	11,140	11,140	5,946,032	
100295 Lakeview Ct.	Rader Ave.	Cul-de-Sac	497	36	2	5	10	38,185	11,455	5,957,487	Capeseal
100217 Gordon St.	Upjohn Ave.	Church Ave.	1251	36	2	5	12	97,733	29,320	5,986,807	Micro pave
Las Cruces 100121 Ave.	Cul-de-Sac	Inyo St.	490	43	2	5	12	44,392	13,318	6,000,125	Micro pave
100569 Wayne St.	Ward Ave.	Graaf Ave.	1287	36	2	5	0	101,142	101,142	6,101,267	
100485 Sanders St.	Upjohn Ave.	Church Ave.	1285	36	2	5	10	100,985	30,296	6,131,562	Micro pave
10068 Beasley St.	Nancy Ave.	End of Pavement	443	36	2	5	10	34,036	10,211	6,141,773	Capeseal
100571 Weiman Way	Erwin St.	El Prado St.	211	36	2	5	19	16,211	4,863	6,146,636	Micro pave
100341 Mavis Ct.	Mary St.	Cul-de-sac	356	36	2	5	11	27,352	8,205	6,154,842	Micro pave
100511 Sierra View St.	Ward Ave.	Inyokern Rd.	2575	34	2	5	6	215,919	215,919	6,370,761	
100520 Sydnor Ave.	Arroyo St.	Inyo St.	645	36	2	5	10	49,556	14,867	6,385,627	Micro pave
10088 Church Ave.	Downs St.	Sunset St.	1929	36	2	5	10	148,206	44,462	6,430,089	CS/MP
10034 Atkins Ave.	Sierra View St.	Norma St.	1328	36	2	5	32	102,031	30,609	6,460,698	Micro pave
100266 Iowa Ave.	Warner St.	Sanders St.	528	36	2	5	2	40,566	12,170	6,472,868	Micro pave

Street Totals

	Presented	Alternate	Savings
Year 1	\$2,580,006	\$1,231,339	\$1,348,667
Year 2	\$4,499,783	\$2,669,507	\$1,830,276
Year 3	\$4,542,974	\$2,572,022	\$1,970,952
PMS total	\$11,622,763	\$6,472,868	\$5,149,895

Project	Cost
W. Ridgecrest Blvd match	975k
W. Ridgecrest Blvd CM	1,275k
Sunland	30k
Downs design (UUD)	122k
Total	\$2,402,000

6,472,868
 + 2,402,000
8,874,868

WalMart

- Existing Development Agreement
- \$2.89 million related improvements
- Recommend \$ 2.89 million TAB

Corp Yard

- Costs partially offset by recent transit grant
- Recommend \$3 million TAB

Subtotal of Part 1 Recommendations

Project	Cost	Cumulative	Available
			24.9 million
Encumbered	\$2,722,836	\$2,722,836	
Streets	\$9 million	\$11,722,836	
Dev. Agreement	\$2.89 million	\$14,612,836	
Corp Yard	\$3 million	\$17,612,836	\$7,287,164

Miscellaneous

PROJECT NAME	DESCRIPTION	Total Cost
Pearson Prk/Upjohn Park Upgrade	Project MF1101 Cost	255,000
LJ & KM Sports Complex MP	Project MF1102 cost	3,015,000
Economic Dev, Business Ret Grant	Economic Dev, Business Ret Grant	2,750,000
Old Town Enhancement Project	Old Town Enhancement Project	450,000
Chamber of Commerce	Chamber of Commerce	100,000
Aquatics Project	Aquatics Project	5,000,000
	TOTAL	\$ 11,570,000

Parks and Recreation

- Consultant recommendations and costs

Contingencies

- Some projects are likely to be completed for less than the allocated amount
- Recommend approval to automatically transfer any savings directly to street projects until or unless a subsequent council decision is made

Financial Plan TAB Project List Allocation Proposed 2014

Encumbered Funds

Name of Project	Total Cost	Paid	Balance	Resolution No
Pearson Park/Upjohn Park Upgrade	\$69,860.00	\$27,211.00	\$42,649.00	11-25
LJ/KM Sports Complex MP	\$335,905.00	\$192,493.00	\$143,412.00	11-26
R/C Blvd: Mahan - China Lake - Design	\$1,000,000.00		\$1,000,000.00	
Alleyway @ City Hall	\$50,000.00	\$12,860.00	\$37,140.00	11-31
Old Town Enhancement Program	\$50,000.00	\$37,340.00	\$12,660.00	MM 10-19-11
Balsam Street Branding	\$36,200.00	\$10,000.00	\$26,200.00	MM 10-19-12
Balsam Street Market	\$10,000.00		\$10,000.00	
Land Acquisition	\$550,000.00	\$550,000.00	\$0.00	
Auatic Center Study	\$27,000.00	\$26,671.00	\$329.00	11-70
Traffic Signal at C/L and Upjohn	\$40,300.00		\$40,300.00	11-49
Road Improvement - Downs Inyokern to Ward (Construction & Construction Management)	\$192,048.00		\$192,048.00	12-32,12-49
Road Improvement - Downs Ward to Drummond (Construction & Construction Management)	\$172,311.00		\$172,311.00	12-33,12-50
Road Improvement - College Heights III Franklin to Jarvis (Construction & Construction Management)	\$189,212.00		\$189,212.00	12-31,12-45
TOTAL	\$2,722,836.00	\$856,575.00	\$1,866,261.00	
RBF Consulting for Design of Signal Synchronization of China Lake Blvd (7 signals)	\$137,710.00		\$137,710.00	11-50
Sunland - W R/C Blvd - Upjohn (Construction)	\$926,000.00		\$926,000.00	12-15
Downs - W R/C Blvd to Upjohn (Design)	\$125,000.00		\$125,000.00	12-15
ITEMS LISTED ABOVE NOT INCLUDED IN THE ENCUMBERED FUNDS BUT APPROVED BY CC 3/7/12	\$1,188,710.00		\$1,188,710.00	
MEETING OF JULY 18, 2012				
STREETS				
3 year Pavement Management System - Alternative	\$6,472,868.00		\$6,472,868.00	MM 7-18-12
W RC Blvd match for Construction and Construction Management Corporation Yard	\$2,250,000.00		\$2,250,000.00	
	\$2,000,000.00		\$2,000,000.00	
Parks and Recreation - Kerr McGee Sports Complex	\$2,500,000.00		\$2,500,000.00	
Chamber of Commerce	\$100,000.00		\$100,000.00	
Economic Development	\$2,000,000.00		\$2,000,000.00	
Ridgecrest Commerical Specific Plan	\$2,890,000.00		\$2,890,000.00	
TOTAL	\$18,212,868.00		\$18,212,868.00	
MOST RECENT				
Pole Relocation - Mahan Ave to Downs Ave	\$391,000.00		\$391,000.00	13-100
Department of Finance	\$2,992,887.00		\$2,992,887.00	13-97
TOTAL	\$3,383,887.00		\$3,383,887.00	
GRAND TOTAL	\$25,508,301.00	\$856,575.00	\$24,651,726.00	

Summary of Recommendations

- Match spending to organizational priorities
- Fully fund PMS
- Fund W. Ridgecrest Blvd. Match requirements
- Fund Sunland design to provide shelf ready project
- Fund Downs design to initiate UUD
- Fund WalMart Development Agreement Items
- Fund Corporate Yard
- Fund quality of life infrastructure projects

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

SUBJECT:

A resolution approving an agreement between Kern County and Ridgecrest for county provision of fire protection duties and enforcement of state Fire Marshal regulations

PRESENTED BY:

V. Rachelle McQuiston – Finance Director

SUMMARY:

The City of Ridgecrest and the County of Kern have negotiated for an agreement to continue contract fire services.

SERVICES:

COUNTY will provide to CITY a minimum service level based on staffing levels of three (3) Captains, three (3) Engineers and three (3) Firefighters (one of each per shift) for a total of six (6) on-duty personnel at Station Numbers 74 and 77 located at 139 E. Las Flores and 815 W. Dolphin Avenue, in Ridgecrest, California. Fire personnel assigned will be comparably equipped and trained as other like positions within the COUNTY Fire Department. COUNTY will also provide such "backup" or additional service as reasonably necessary in accordance with professional firefighting standards, including but not limited to, those situations where firefighters assigned to Station 74 and 77 are utilized outside CITY limits on emergencies.

COMPENSATION

- Fire Fund property tax revenues, including Redevelopment Agency (RDA) Agreement revenues, collected within CITY and retained by COUNTY Fire Department, and any "in-kind" payments made by CITY on behalf of COUNTY, as agreed to by COUNTY and CITY
- The Net Allocated Total Cost for FY12-13, (without additional on-duty positions), beginning on July 1, 2012 and ending June 30, 2013, is \$382,557.
- Due to significant financial hardship, CITY will compensate COUNTY \$400,000 per year for fiscal years 2013-14 through 2015-16.

I am satisfied with the attached agreement and ask that you authorize the Mayor and City Manager to execute the contract.

[Attached, please find a copy of the Agreement and Resolution]

FISCAL IMPACT:

\$382,557 for Fiscal Year 2012/13 (set aside in Contingency); \$400,000 in Fiscal Year 2013/14
Reviewed by Finance Director

ACTION REQUESTED:

Adopt a resolution approving an agreement with Kern County Fire Department for fire services

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Adopt a resolution approving an agreement with Kern County Fire Department for fire services

Submitted by: Rachelle McQuiston
(Rev. 02/13/12)

Action Date: February 5, 2014

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EXHIBIT 'A'

RESOLUTION NO. 14-

RESOLUTION OF THE RIDGECREST CITY COUNCIL APPROVING THE REVISED CONTRACTUAL AGREEMENT BETWEEN THE COUNTY OF KERN AND THE CITY OF RIDGECREST FOR COUNTY PROVISION OF FIRE PROTECTION DUTIES AND ENFORCEMENT OF STATE FIRE MARSHAL REGULATIONS

WHEREAS, the City Council of the City of Ridgecrest and the Kern County Board of Supervisors have concurred that the County of Kern will provide Fire Protection Services, and enforcement of State Fire Marshal regulations; and

WHEREAS, Government Code Section 51303 provides in part that the County officers and employees named in the contract shall exercise within the city all powers and duties conferred upon the City Officers or Employees named in the contract; and

WHEREAS, the City of Ridgecrest desires that the functions of the Chief of the Fire Department of City, including enforcement of the regulations of the State Fire Marshall, shall be performed by the Chief of the Fire Department of County of Kern acting as the Fire Chief of City; and

WHEREAS, the City Council and the Kern County Board of Supervisors wish to adopt proposed fire protection agreement approved by the parties on February 5, 2014; and

WHEREAS, by the execution of the aforementioned agreement attached hereto it is agreed upon by the City of Ridgecrest and County of Kern that the Ridgecrest community will be more efficiently protected under the direction of the County of Kern; and

WHEREAS, the City and County have negotiated Agreement to replace all prior agreements;

NOW, THEREFORE, BE IT RESOLVED that the City of Ridgecrest and the County of Kern enter into a contractual agreement, whereby the County of Kern will provide all fire protection and related duties.

APPROVED AND ADOPTED this 5th day of November, 2014 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Daniel O. Clark, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

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CITY AGREEMENT NO.: _____
COUNTY AGREEMENT NO. _____

**AGREEMENT BETWEEN THE CITY OF RIDGECREST AND THE COUNTY OF KERN FOR COUNTY
OF KERN FIRE PROTECTION DUTIES
AND
ENFORCEMENT OF STATE FIRE MARSHALL REGULATIONS
(COUNTY OF KERN-CITY OF RIDGECREST)**

THIS AGREEMENT is made and entered into this day of , 2014, by and between the COUNTY OF KERN, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and the CITY OF RIDGECREST, a municipal corporation within the County of Kern (hereinafter referred to as "CITY");

WITNESSETH:

WHEREAS, Government Code section 36501 provides that the government of a general law CITY shall be vested in the officers therein named and includes the designation of a fire chief; and

WHEREAS, Government Code section 38611 provides that the legislative body of a general law CITY shall establish a fire department for the CITY, and that said fire department shall be under the charge of a chief who shall have had previous training and experience as a firefighter, and that the other members of said fire department shall consist of paid firefighters or such companies of call firefighters as the legislative body may determine; and

WHEREAS, Pursuant to the provisions of Health and Safety Code section 13143, Regulations of the State Fire Marshal have been adopted which are set forth in Chapter 1 of Title 19 of the California Code of Regulations; and

WHEREAS, Government Code section 51301 authorizes the Board of Supervisors to contract with a CITY within the COUNTY and authorizes the CITY legislative body to contract with COUNTY for the performance of CITY functions by appropriate county officers and employees; and

WHEREAS, Government Code section 51303 provides in part that: "COUNTY officers and employees named in the contract shall exercise within CITY all of the powers and duties conferred upon CITY officers or employees named in the contract"; and

WHEREAS, CITY Council of CITY desires that the functions of the Chief of the Fire Department of CITY, including enforcement of the regulations of the State Fire Marshal, shall be performed by the Chief of the Fire Department of COUNTY acting as the Fire Chief of CITY; and

WHEREAS, CITY and COUNTY have negotiated this Agreement to replace all previous and amended agreements.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and between COUNTY and CITY as follows:

1. POWERS AND DUTIES OF COUNTY FIRE CHIEF AND COUNTY FIRE DEPARTMENT EMPLOYEES:

(A) The Chief of the Kern County Fire Department and employees of the COUNTY Fire Department shall exercise within CITY all of the powers and duties conferred upon a City Fire Chief of City Fire Department personnel, including reporting to the CITY Council and enforcing the "Regulations of the State Fire Marshal."

(B) Fire prevention and suppression, emergency medical responses, rescues, hazardous materials responses, fire cause and arson investigation plus all COUNTY support services including, but not limited to, supervision, dispatching, training, equipment maintenance, supplies and procurement, collectively referred to as "services." Functions within CITY's boundaries shall be vested in the COUNTY Fire Chief and employees of the COUNTY Fire Department as may be designated by the COUNTY Fire Chief. Such reassignment of resources shall have no effect on the CITY'S Annual Fee for services.

(C) In the performance of their duties of prevention, control and suppression of fires, emergency medical responses, rescues, hazardous materials responses and fire investigation functions pursuant to this Agreement, the personnel of COUNTY shall have the powers and duties of the Chief of the Fire Department of CITY and shall perform said services in accordance with professional firefighting standards. In the event of a dispute between the parties as to these duties, functions or manner of performance of these duties and functions, determinations by the COUNTY Fire Chief shall be final and conclusive between the parties.

(D) All engine companies assigned to CITY fire station(s) as listed in Section 5(C) "SERVICE LEVEL" shall carry automatic defibrillators and their personnel shall be certified Emergency Medical Technician-Defibrillator/Combitube.

(E) COUNTY will participate in and support community emergency preparedness, education, training and exercises. COUNTY personnel will work with the CITY to continue to provide public education programs currently offered by the CITY. The scope and specific programs may be modified by COUNTY and CITY after subsequent evaluation. CITY shall retain responsibility for CITY's internal emergency management and related programs, as well as communication and coordination with COUNTY's Emergency Operations Center (EOC), when activated.

(F) It is expressly understood that in the performance of the services herein provided for, COUNTY shall be, and is, an independent contractor and is not an agent or employee of CITY. COUNTY has and shall retain the right to exercise full control and supervision of the services and full control over the employment, direction, assignment, compensation and discharge of all persons employed by COUNTY and assisting in the performance of services hereunder. COUNTY shall be solely responsible for all matters relating to the payment of its employees including, but not limited to, compliance with social security, workers' compensation, withholding and all regulations governing such matters.

(G) COUNTY shall provide as necessary, fire inspection services and other services as are provided by the COUNTY Fire Department to residents of the unincorporated area of the County of Kern.

2. PLANS REVIEW, INSPECTIONS AND CODE ENFORCEMENT FUNCTIONS:

Solely for the purpose of enforcing or assisting in the enforcement of the regulations of the State Fire Marshal, as provided for in Chapter 1 of Title 19 of the California Code of Regulations, COUNTY will perform the following specific functions on behalf of CITY, at CITY's request:

(A) Plan check and approve or disapprove all building, electrical and plumbing plans for all occupancies covered by Chapter 1 of Title 19 of the California Code of Regulations before a building permit is issued by CITY and construction started;

(B) Plan check and approve or disapprove any changes in approved plans on all the above described occupancies for new construction, alterations to existing buildings, and any changes of occupancy;

(C) Make joint final inspection with building inspection personnel of CITY on all of the above described occupancies. No certification of lights, gas or occupancy shall be issued nor business license granted until joint approval by COUNTY and CITY after joint final inspection.

COUNTY will perform these functions without an increase in the Annual Fee (as Described in Paragraph 7), provided that fees for these services in amounts established by COUNTY are paid to COUNTY pursuant to Paragraph 10 and provided further that the service do not require that COUNTY increase the staffing level set forth in Paragraph 5(c).

3. FIRE HYDRANTS AND WATER SUPPLY:

(A) CITY, as its sole and separate obligation, shall continue to provide a system of fire hydrants and water supply for fire prevention and suppression within CITY. CITY shall cooperate with and assist COUNTY in requiring that the CITY Water Department or other local water purveyors provide at least minimum water fire flows as required by the California Fire Code and hydrants for fire protection purposes within CITY.

(B) COUNTY shall annually inspect all fire hydrants within CITY to ensure that fire hydrants are mechanically operable and capable of delivering water. COUNTY shall notify CITY Water Department or other local water purveyors, in writing, of any maintenance requirements as soon as possible after such inspections and at any other time COUNTY becomes aware of maintenance or repair requirements. COUNTY shall not be liable to pay CITY Water Department or any other water purveyors for hydrant installation, painting to COUNTY specifications, repair, maintenance or rental fees or any other related costs or expenses.

4. ROUTING OF EMERGENCY CALLS:

(A) The immediate transference of 9-1-1 calls to the COUNTY by the CITY's Public Safety Answering Point (PSAP) shall be performed on all fire, rescue, hazardous materials and emergency medical incidents without cost to the COUNTY. CITY shall be responsible for all costs associated with connecting ring down circuits from its PSAP to COUNTY's circuit.

(B) COUNTY shall provide to CITY statistical response information reports as requested. The criteria utilized in the preparation of such reports shall be determined by the CITY MANAGER and the COUNTY's jurisdictional Deputy Fire Chief.

5. SERVICE LEVEL:

(A) Nothing in this Agreement precludes the future expansion, closure, consolidation or relocation of the fire stations referenced herein if such action is mutually beneficial to and agreed upon by both CITY and

COUNTY.

(B) Any agreed-upon adjustments in staffing may cause adjustments in the determination of the Annual Fee.

(C) COUNTY will provide to CITY a minimum service level based on staffing levels of three (3) Captains, three (3) Engineers and three (3) Firefighters (one of each per shift) for a total of six (6) on-duty personnel at Station Numbers 74 and 77 located at 139 E. Las Flores and 815 W. Dolphin Avenue, in Ridgecrest, California. Fire personnel assigned will be comparably equipped and trained as other like positions within the COUNTY Fire Department. COUNTY will also provide such "backup" or additional service as reasonably necessary in accordance with professional firefighting standards, including but not limited to, those situations where firefighters assigned to Station 74 and 77 are utilized outside CITY limits on emergencies.

(D) Any request by CITY for increased Service Levels shall be communicated to COUNTY no later than January 1st prior to implementation the following fiscal year, subject to approval by COUNTY and in accordance with Section 12 "POTENTIAL CHANGES IN SERVICE LEVEL" herein.

6. COST ALLOCATION METHODOLOGY:

The Annual Fee in this Agreement is based upon CITY incorporated area boundaries and service requirements. The methodology for cost allocation is based on:

(A) Direct Cost Per Capita Countywide - Direct costs are determined by using prior fiscal year expenditures for the fire department programs of Operations, Fire Prevention, Arson Investigation, Hazardous Materials, Technical Rescue and Reserves. The annual amortized apparatus/equipment replacement cost is added to direct costs to determine Total Direct costs. Total Direct Costs are then divided by the Countywide protected population to determine the Direct Cost Per Capita Countywide. The Countywide Protected population is determined by the County Fire department's GIS Specialist through a methodology adopted by the Kern Council of Governments (Kern COG).

(B) CITY's Stations On-Duty Staffing Ratio - The total on-duty staffing of all City stations is divided by the Fire Department's total on-duty staffing Countywide. This factor is applied against the Direct Cost Per Capita Countywide and is used to discount the net costs allocated to the City. The on-duty staffing ratio accounts for the availability of resources to provide fire protection services directly to the CITY's.

(C) CITY's Direct Cost Per Capita - The Direct Cost Per Capita Countywide is multiplied by the Cities Stations On-duty Staffing to arrive at the Cities Direct Cost Per Capita. The Cities Direct Cost Per Capita is multiplied by the protected population of the City to determine the Cities Allocated Direct Cost.

(D) CITY's Allocated In-direct Cost - An In-direct cost will be applied to the City's Allocated Direct Cost. The Indirect cost factor is based on the Fire Department's Prior and Prior Year In-direct billing rate, which is calculated in accordance with OMB Circular A-87 and certified by the Kern County Auditor-Controller-County Clerk;

(E) The Cities' Allocated Direct and In-direct Costs are then added together to identify the Cities' Allocated Total Cost.

(F) Any Fire Fund property tax revenues, including Redevelopment Agency (RDA) Agreement revenues, collected within CITY and retained by COUNTY Fire Department, and any "in-kind" payments made by CITY on behalf of COUNTY, as agreed to by COUNTY and CITY (e.g. CITY purchases and donates Rescue Engine to COUNTY for use in CITY'S Station) would then be credited against the Cities' Allocated Total Cost to determine the resulting Net Allocated Total Cost. Fees collected pursuant to Paragraph 10

herein shall not be credited against the Cities' Allocated Total Cost.

7. COMPENSATION:

CITY will compensate COUNTY for the performance of duties under this Agreement as follows:

(A) The Net Allocated Total Cost for FY12-13, (without additional on-duty positions), beginning on July 1, 2012 and ending June 30, 2013, is \$382,557.

(B) Due to significant financial hardship, CITY will compensate COUNTY \$400,000 per year for fiscal years 2013-14 through 2015-16.

COUNTY shall provide CITY, in writing, with the actual annual costs for fiscal year 2015-2016 by no later than April 1, of the following fiscal year. COUNTY shall thereafter provide CITY, annually and in writing for the duration of this agreement, with estimated annual contract costs by no later than April 1 of each year for the next fiscal year. Any increases in costs necessitated or mandated by legislative or judicial decisions or actions or by CITY request for increases in service level, other than penalties or damages due to negligence of COUNTY, shall be due in any fiscal year in which they occur.

(C) Average Actual Salaries and Benefits Costs will be used as the basis for costs to be billed to CITY for any additional on-duty personnel as requested by CITY.

(D) COUNTY shall be responsible for all costs and expenses incident to the performance of the services for the CITY, including but not limited to, all costs of equipment provided by COUNTY, all fees, fines, licenses, bonds or taxes required of or imposed against COUNTY and all other of the COUNTY's costs of doing business. Except as expressly provided for herein, CITY shall not be responsible for any expense incurred by the COUNTY in performing services for the CITY.

(E) COUNTY will re-calculate billable costs, as identified in Section 6 "COST ALLOCATION METHODOLOGY". COUNTY will present to CITY the Net Allocated Total Costs or Annual Fees, to be paid by CITY during the subsequent five (5) year period and the revised Net Allocated Costs or Annual Fees will be attached to the agreement as an amendment.

8. FIRE FUND RETENTION:

In the event CITY annexes additional areas from which COUNTY receives Fire Fund property tax revenues, COUNTY shall continue to receive these Fire Fund revenues. Fire Fund revenues collected within CITY's incorporated area by COUNTY shall be applied against the CITY's allocated direct and indirect costs for the annual billing, as indicated in Section 6 "COST ALLOCATION METHODOLOGY."

9. BILLING & PAYMENT:

(A) In consideration of the covenants contained herein, CITY shall pay to COUNTY the costs specified in Section 6 "COST ALLOCATION METHODOLOGY" and Section 7 "COMPENSATION" herein over the term of the Agreement. The Kern County Fire Department shall, within thirty (30) days of the beginning of each calendar year quarter, invoice the CITY on the quarterly basis for one fourth of the amount to be paid annually. Amount retroactively due after the execution of this agreement shall be equally applied over the remaining quarterly invoices for FY13-14. The CITY shall pay COUNTY within forty-five (45) days of receipts of the invoice. Invoices and general notices shall be sent to CITY at:

City of Ridgecrest
100 West California Avenue
Ridgecrest, CA 93555-4054

Payments shall be sent to:

Kern County Fire Department
5642 Victor Street
Bakersfield, CA 93308

Either party shall notify the other in writing of an address change.

(B) Interest shall be added to any payment invoiced by COUNTY and that is received by COUNTY after the due date (late payment). The interest rate on any late payment shall be established as the pooled treasury rate as earned by the County, as of the first day payment is late. The period for computing this interest shall commence the day following the payment due date and end the date of receipt of payment by the COUNTY. The interest payment shall be computed as follows: Late Payment Interest Charge = $\frac{\text{No. of Days Late}}{365 \text{ Days}} \times \text{County Pooled Treasury Rate} \times \$ \text{Amount of Payment}$

(C) In the event that a billing/payment dispute arises between the COUNTY and CITY, the parties will negotiate in good faith to resolve the dispute and the following procedures will be taken to resolve the dispute:

1. The dispute will be specified, in writing, and presented to the COUNTY jurisdictional Deputy Fire Chief, if a CITY dispute or to the CITY MANAGER, if a COUNTY dispute within thirty (30) days of the receipt of a disputed invoice or disputed payment. The CITY shall pay any disputed invoice "under protest."
2. If the COUNTY and CITY cannot fully resolve the dispute within ninety (90) days of receipt of written notification of this dispute (impasse), the impasse will be sent to an independent arbitrator for resolution. Said arbitrator shall be selected jointly by CITY and COUNTY within forty-five (45) days of impasse and shall be paid for equally by CITY and COUNTY. If COUNTY and CITY cannot agree on an arbitrator, each party shall, at its own expense, retain an arbitrator within thirty (30) days after the jointly selected arbitrator should have been selected. These two arbitrators will within thirty (30) days mutually select a third arbitrator. The mutually agreed-upon arbitrator will resolve the matter within thirty (30) days after his/her selection. COUNTY and CITY shall share equally the cost of the third arbitrator. The arbitrator's resolution of the impasse shall be final and binding.

If COUNTY prevails in arbitration, all money owed and not paid to the COUNTY will be forwarded to the mailing address identified in Section 9 "BILLING & PAYMENT", herein, within thirty (30) calendar days from the date of the issuance of the arbitrator's decision. In addition, the CITY will be assessed and pay the interest payment amount as calculated for an interest payment in Section 9(A) of this Agreement.

If CITY prevails in arbitration and has paid the COUNTY the disputed amount, a refund to CITY will be forwarded to the mailing address identified in Section 9(A), herein, within thirty (30) calendar days from the date of the issuance of the arbitrator's decision. In addition, COUNTY will pay to CITY the interest as calculated for an interest payment, as identified in Section 9(C) of this Agreement.

10. FEES:

All revenues generated from fees established or implemented by COUNTY shall be COUNTY revenues. Fees of any nature collected by CITY on behalf of COUNTY shall be passed through to COUNTY by CITY as COUNTY revenues. Excluding any State, Federal or judicially mandated programs or fees CITY agrees that it shall either adopt fees for services in amounts established by COUNTY for similar services to COUNTY residents or will pay to COUNTY such fees, in whole or part, in lieu of imposing such fees on

the citizens of CITY. CITY shall be authorized to retain a five percent (5%) administrative charge for any fees collected on behalf of COUNTY. Any fees charged and collected by the CITY subsequent to the commencement date of service shall remain as revenues of the CITY provided that such fees are not identified as fees for services provided by COUNTY pursuant to this agreement. COUNTY shall be authorized to retain a five percent (5%) administrative charge for any fees collected by COUNTY on behalf of CITY.

11. COST RECOVERY:

In the event that an incident occurs within CITY while this Agreement is in effect during which COUNTY may be required to deploy a substantial number of COUNTY apparatus and personnel to such incident, COUNTY reserves the right to pursue cost recovery at its sole discretion against the party that caused the incident but not against CITY. In the event CITY were to pursue cost recovery for COUNTY resources deployed to such an incident, CITY shall promptly pay to COUNTY all such COUNTY costs recovered by CITY less the cost of CITY'S recovery efforts. Costs for COUNTY resources paid for by CITY through this Agreement as detailed in Section 5(C) "SERVICE LEVEL" herein and deployed to such an incident shall not be recoverable by COUNTY from CITY.

12. POTENTIAL CHANGES IN SERVICE LEVEL:

If CITY initiates an increase in staffing levels at Stations 74 and 77 during the term of this Agreement, CITY and COUNTY will renegotiate the annual compensation paid to the COUNTY, provided however, that no change in compensation paid to COUNTY will be effective until this Agreement is modified in accordance with Section 5 "SERVICE LEVEL" herein.

13. FIRE STATION EXPANSION/CONSTRUCTION:

During the term of this agreement, CITY and COUNTY agree to commence discussions regarding the need for any future expanded fire service throughout CITY based on CITY's future plans. CITY and COUNTY agree to explore reasonable solutions for same, such that the parties formulate a master plan to address future fire protection resource requirements, including any future fire station construction projects or capital equipment acquisitions, and the allocation of costs between CITY and COUNTY. It is the intent of both CITY and COUNTY that the master plan developed would be documented in an agreement to be approved by both CITY Council and COUNTY Board of Supervisors, as an amendment to this Agreement.

14. TERM OF AGREEMENT:

The term of this agreement will begin on July 1, 2012, and shall continue in full force and in effect for a period of five (5) years ending on June 30, 2017, unless otherwise terminated by mutual consent by the parties. This agreement will automatically be renewed in five year increments, unless either COUNTY or CITY gives written notice to the other party, within three hundred and sixty-five (365) days of the expiration of each five-year term, of its intent to terminate this agreement or the extensions thereto. Any notice of termination by COUNTY shall be served on City by delivery of said notice either in person or by registered mail to the City Clerk of the City of Ridgecrest; and any such notice of termination by CITY shall be served upon the COUNTY by delivery of said notice either in person or by registered mail to the Clerk of the Board of Supervisors of Kern County.

In the event this agreement is terminated, all equipment, fire apparatus, personal property and supplies, contained in COUNTY fire station(s) shall remain the sole property of the COUNTY. Any unpaid costs allocated to the CITY as of the effective date of the termination shall be due and payable to the COUNTY no later than the effective date of the termination. Should a credit be due to the CITY from the COUNTY, a

refund shall be paid to CITY no later than the effective date of the termination.

15. MODIFICATIONS TO AGREEMENT:

(A) A review of the Agreement terms may be initiated at any time by either party, upon written notice to the other, and modifications made to this Agreement upon written consent of both parties, which consent shall not be unreasonably withheld or delayed. The parties agree to negotiate in good faith and deal fairly with respect to performance under this Agreement and to any proposed modifications to this Agreement.

(B) This Agreement may be modified only in writing and with the approval of both CITY and COUNTY.

16. INDEMNIFICATION:

(A) Neither party will be liable to the other party for any damage, liability claim or cause of action for damage to, or destruction of, property or for injury to or death of persons arising solely from any act or omission of the other party's officers, agents and employees.

(B) The CITY will indemnify, hold harmless and defend (upon the written request of the COUNTY) the COUNTY, its officers, employees and agents from any and all loss, damage, liability claim or cause of action of every nature whatsoever for the physical damage to or destruction of property, including the property of the COUNTY or physical injury to or death of any person, including the COUNTY'S officers, employees or agents, which may arise out of any act or omission of City, its officers, employees or agents.

(C) The COUNTY will indemnify, hold harmless and defend (upon the written request of the CITY) the CITY, its officers, employees and agents from any and all loss, damage, liability, claim or cause of action of every nature whatsoever for physical injury to or death of any person, including the CITY'S officers, employees and agents, which may arise out of any act or omission of COUNTY, its officers, employees or agents.

(D) The party against whom any claim arising from this Agreement is filed will give prompt notice of the filing of the claim to the other party.

17. WAIVER:

No waiver of a breach of any provision of this Agreement will constitute a waiver of any other breach, or of such provision. Failure of the CITY or COUNTY to enforce at any time, or from time-to-time, any provision of this Agreement will not be construed as a waiver thereof. The remedies herein reserved will be cumulative and additional to any other remedies in law or equity.

18. PARTIAL INVALIDITY:

Should any part, term, portion or provision of this Agreement be finally decided to be in conflict with any law of the United States, of the State of California or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions will be deemed severable and will not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

19. ENTIRE AGREEMENT:

This Agreement contains the entire agreement of the parties relating to the rights herein granted and the obligations herein assumed. Any oral representation or modification concerning this Agreement will be of no force or effect excepting a subsequent modification in writing, signed by both parties.

20. COUNTY RECORDS:

At any time during normal business hours, upon the request of CITY, COUNTY will make available for examination all of its existing records with respect to matters covered by this Agreement for purposes of audit, examination or to make copies of such records, exclusive of confidential personnel files.

21. NOTICES:

All notices required or permitted to be given pursuant to this Agreement may be personally served on the other party by the party giving such notice or may be served by certified mail, return receipt requested, to the following addresses:

COUNTY: County Fire Chief
5642 Victor Street
Bakersfield, CA 93308

CITY: City Manager, City of Ridgecrest
100 West California Ave
Ridgecrest, CA 93555

22. CITY COUNCIL RESOLUTION:

Concurrently with the execution of this Agreement by CITY, the City Council will adopt its resolution allowing the Fire Chief of COUNTY to exercise the powers and duties conferred upon a City Fire Chief or City Fire Department personnel; a sample of said resolution is appended hereto marked as Exhibit "A".

IN WITNESS WHEREOF, CITY and COUNTY have caused this Agreement to be executed by their authorized agents.

APPROVED AS TO CONTENT:

By: _____
Dennis Speer, City Manager
City of Ridgecrest

By: _____
Brian Marshall, Fire Chief
Kern County

APPROVED AS TO FORM:

By: _____
City Attorney
City of Ridgecrest

“CITY”

By: _____
Devin Brown, Deputy County Counsel
Kern County

“COUNTY”

By: _____
Dan Clark, Mayor
City of Ridgecrest

By: _____
Mike Maggard, Chairman
Kern County Board of Supervisors

Attest:

By: _____
Rachel Ford, City Clerk
City of Ridgecrest

By: _____
Kathleen Krause, Clerk of the Board
County of Kern

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

SUBJECT:

Executive Summary and Discussion of Fiscal Year 2013-14 Budget Projections

PRESENTED BY:

Rachelle McQuiston – Director of Finance

SUMMARY:

Pursuant to Council request, the Director of Finance has actively researched revenue and expenditure projections for the remaining Fiscal Year 2013-14 Budget.

At time of posting of the agenda, the projections worksheet was in process. These projections and the impact to the current budget will be presented and discussed at the Council meeting.

FISCAL IMPACT:

No Fiscal Impact

Reviewed by Finance Director

ACTION REQUESTED:

Discussion item only, no action required

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested: Discussion and possible direction to staff

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

SUBJECT: Request for Sponsorship of the Petroglyph Rock Art Festival from the City of Ridgecrest

PRESENTED BY:
Dan Clark, Mayor

SUMMARY:

A Petroglyph rock art festival will be held in November 2014. Business leaders from the Ridgecrest community are planning a Petroglyph rock art festival to highlight the rock art in the area to brand the Ridgecrest area as the rock art capital of North America. With the Petroglyphs in Little Petroglyph Canyon, the area is widely known for having some of the finest Petroglyphs in North America and Little Petroglyph Canyon is designated as a national historic landmark.

The plan is to make this festival an annual event. This could be a tremendous draw to bring tourists to the Ridgecrest area to stay in our hotels, eat in our restaurants and shop at other local businesses. Once tourists have been to Ridgecrest, we expect many of them to come back again because there is much to see within a short drive of the Ridgecrest area.

A request for the City of Ridgecrest to sponsor the event was made by the Maturango Museum of the Indian Wells Valley. The recommended sponsorship contribution amount is \$10,000 including in-kind contributions.

FISCAL IMPACT:

Not to exceed \$10,000

Reviewed by Finance Director

ACTION REQUESTED:

Discuss the subject request and determine whether to sponsor the event.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: February 5, 2014

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