



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

**AGENDA**

**Wednesday**

**Regular**

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

**October 7, 2015**

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

**(760) 499-5000**

**Peggy Breeden, Mayor  
James Sanders, Mayor Pro Tempore  
Lori Acton, Vice Mayor  
Eddie B. Thomas, Council Member  
Mike Mower, Council Member**

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LAST ORDINANCE NO. 15-04  
LAST RESOLUTION NO. 15-93

## **CITY OF RIDGECREST**

### **CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY**

#### **AGENDA**

Regular Council  
Wednesday October 7, 2015

#### **CITY COUNCIL CHAMBERS CITY HALL**

100 West California Avenue  
Ridgecrest, CA 93555

**Closed Session – 5:00 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**

**CLOSED SESSION – 5:00 p.m.**

- GC54956.8 Local Agency Real Property Negotiations – Negotiation for sale – Parcel Map No. 10819 Lots 1, 2, 3, 34, 35, and 36 – Agency Negotiators City Manager Dennis Speer and Economic Development Project Manager Gary Parsons
- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – City Of Ridgecrest v. William Dale Howard
- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – Cohen v. City Of Ridgecrest
- GC 54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation – City Of Ridgecrest v. Matasantos

**REGULAR SESSION – 6:00 p.m.**

- Pledge Of Allegiance
- Invocation

**CITY ATTORNEY REPORT**

- Closed Session
- Other

**PRESENTATIONS**

1. Presentation Of A Proclamation Honoring The 125<sup>th</sup> Anniversary Of The Daughters Of The American Revolution Council

**PUBLIC COMMENT**

**COUNCIL ANNOUNCEMENTS**

**CONSENT CALENDAR**

2. Adopt A Resolution To Amend The Professional Service Agreement In The Amount Of Six Thousand One Hundred Eight-Four Dollars (\$6,184.00) With The Engineer Of Record, Mark Thomas & Company, For Additional Construction Support and Survey Work On The Closeout Of The West Ridgecrest Boulevard Project And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement Speer

3. Adopt A Resolution To Amend The Professional Service Agreement With Quad Knopf Inc., For Additional Service Of Right-Of-Way Acquisition In The Amount Of Twenty-Four Thousand Four Hundred And Fifty Dollars (\$24,450.00) And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement Speer
4. Adopt A Resolution To Approve The Purchase Of A Trimble R10 Survey Grade GPS Rover Unit In The Amount Of Thirty Five Thousand Six Hundred Ninety Two Dollars And Thirty Five Cents (\$35,692.35), For The Use Of Locating Underground Utilities For The Wastewater Treatment Facility Speer
5. Adopt A Resolution Of The City Council Of The City Of Ridgecrest Accepting The Other Post-Employment Benefits (OPEB) Actuarial Study As Of June 30, 2015 Prepared By Nyhart Company Staheli
6. Adopt A Resolution Of The Ridgecrest City Council Authorizing The City Manager To Enter Into A Land Lease Agreement And An MOU With WEPCO Inc. To Develop A Solar Project At The Ridgecrest Animal Shelter Strand
7. Adopt A Resolution Amending Resolution No. 15-77 And Authorizing Tax Allocation Bond (TAB) Funds From Parks And Recreation Allocation Be Expended For Capital Improvements To The Concession Stand Construction Project Patin
8. Adopt A Resolution Authorizing A Proclamation For Freedom From Workplace Bullying 2015 And Approving Delivery By Mail To The Requestor Ford
9. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated September 16, 2015 Ford

#### DISCUSSION AND OTHER ACTION ITEMS

10. Appointment To Measure 'L' Citizens Advisory Committee Council

#### ORDINANCES

11. Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Municipal Code As It Relates To Animal Keeping Alexander

## COMMITTEE REPORTS

*(Committee Meeting dates are subject to change and will be announced on the City website)*

### **City Organization and Services Committee**

Members: Lori Acton; Mike Mower  
Meeting: 4<sup>th</sup> Wednesday each month at 5:00 p.m. as needed  
Location: Council Conference Room B

### **Infrastructure Committee**

Members: Jim Sanders; Mike Mower  
Meeting: 3<sup>rd</sup> Thursday each month at 5:00 p.m. as needed  
Location: Council Conference Room B

### **❖ Ad Hoc Water Conservation Committee**

Members: Jim Sanders; Peggy Breeden  
Meeting: 1<sup>st</sup> Monday each month at 5:00 p.m. as needed  
Location: Conference Room B

### **Parks, Recreation, and Quality of Life Committee**

Members: Eddie Thomas; Lori Acton  
Meeting: 1<sup>st</sup> Tuesday each month at 12:00 p.m. as needed  
Location: Kerr-McGee Center Meeting Rooms

### **❖ Ad Hoc Youth Advisory Council**

Members: Eddie Thomas  
Meeting: 2<sup>nd</sup> Wednesday of each month, 12:00 p.m. as needed  
Location: Kerr-McGee Center Meeting Rooms

### **Activate Community Talents and Interventions For Optimal Neighborhoods Task Force (ACTION)**

Members: Eddie Thomas; Lori Acton  
Meeting: Quarterly the 3<sup>rd</sup> Tuesday of the month at 4:00 p.m. as needed  
Location: Kerr McGee Center Meeting Rooms

### **Ridgecrest Area Convention And Visitors Bureau (RACVB)**

Members: Lori Acton and Eddie Thomas  
Meetings: 1<sup>st</sup> Wednesday Of The Month, 8:00 A.M.  
Next Meeting: To Be Announced

## OTHER COMMITTEES, BOARDS, OR COMMISSIONS

## CITY MANAGER REPORT

## MAYOR AND COUNCIL COMMENTS

## ADJOURNMENT



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**A Proclamation of  
The City Of Ridgecrest, California**

**Celebrating the 125<sup>th</sup> Anniversary of the  
National Society Daughters of the American Revolution  
October 11, 2015**

**WHEREAS**, October 11, 2015, marks the 125<sup>th</sup> anniversary of the founding of the National Society Daughters of the American Revolution to honor the memory and spirit of the men and women who achieved American Independence; and

**WHEREAS**, Nearly 1 million members have since fulfilled this vibrant service organization's mission to promote historic preservation, education and patriotism; and

**WHEREAS**, Daughters are currently celebrating both their founding and their future by providing 10 million hours of service to America; and

**WHEREAS**, The Panamint Springs Chapter of the DAR was founded in Ridgecrest in the year 1991 to complete this important service work on the local level; and

**WHEREAS**, It is fitting and proper to accord official recognition to this vital organization and its memorable anniversary.

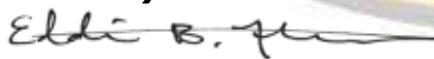
**Now, therefore, be it proclaimed**

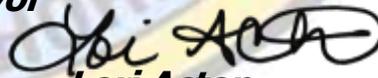
The City Council of the City of Ridgecrest, does hereby honor **THE DAUGHTERS OF THE AMERICAN REVOLUTION'S 125 YEARS OF SERVICE TO AMERICA** and ask our citizens to reaffirm the ideals of our nation's founders and to honor and respect the freedoms guaranteed to us through the Declaration of Independence and the United States Constitution.

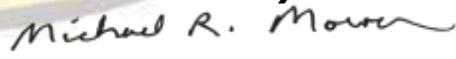
**IN WITNESS WHEREOF**, We have hereunto set our hand and caused the seal of the City of Ridgecrest to be affixed this 7<sup>th</sup> day of October 2015.

  
**Peggy Breeden, Mayor**

  
**James Sanders  
Mayor Pro Tem**

  
**Eddie B. Thomas  
Council Member**

  
**Lori Acton  
Vice Mayor**

  
**Mike Mower  
Council Member**

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

**SUBJECT:**

A Resolution To Amend The Professional Service Agreement In The Amount Of Six Thousand One Hundred Eight-Four Dollars (\$6,184.00) With The Engineer Of Record, Mark Thomas & Company, For Additional Construction Support and Survey Work On The Closeout Of The West Ridgecrest Boulevard Project And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement

**PRESENTED BY:**

Dennis Speer, Public Works Director

**SUMMARY:**

With the closeout of the West Ridgecrest Boulevard Project the Engineer of Record, Mark Thomas & Company has finished up their support of the project.

However, during the construction phase of the project, the inspector found that some of the ramps constructed along West Ridgecrest Boulevard were not constructed per plan and exceeded the American Disability Act (ADA) standards. Because of this, Mark Thomas and Company was asked to visit the construction site to provide input on how to best resolve the issues at each errant ramp along the corridor. The site visit also examined an issue at Warner Street to avoid a large utility vault.

After the site inspection, it was found that the ramps were formed incorrectly and a survey crew was sent to collect data in order to perform a design remedy for the errant ramps.

The corrections were fixed by the contractor.

Funding for this expense will be taken from the TAB Funds that have already been allocated to the West Ridgecrest Boulevard project.

Staff recommends that the City amends the professional services agreement with the engineer of record, Mark Thomas & Company, for the work for this major arterial street project.

**FISCAL IMPACT: \$6,184.00**

Reviewed by Finance Director

**ACTION REQUESTED:**

Adopt A Resolution That Amends The Professional Service Agreement In The Amount Of Six Thousand One Hundred Eight-Four Dollars (\$6,184.00) With The Engineer Of Record, Mark Thomas & Company, For Additional Construction Support and Survey Work On The Closeout Of The West Ridgecrest Boulevard Project And Authorizes The City Manager, Dennis Speer, To Approve The Amended Agreement

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

Submitted by: Loren Culp

Action Date: October 7, 2015

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**RESOLUTION NO. 15-XX**

**A RESOLUTION TO AMEND THE PROFESSIONAL SERVICE AGREEMENT IN THE AMOUNT OF SIX THOUSAND ONE HUNDRED EIGHT-FOUR DOLLARS (\$6,184.00) WITH THE ENGINEER OF RECORD, MARK THOMAS & COMPANY, FOR ADDITIONAL CONSTRUCTION SUPPORT AND SURVEY WORK ON THE CLOSEOUT OF THE WEST RIDGECREST BOULEVARD PROJECT AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE AMENDED AGREEMENT**

**WHEREAS**, With the closeout of the West Ridgecrest Boulevard Project the Engineer of Record, Mark Thomas & Company has finished up their support; and

**WHEREAS**, during the construction phase of the project, the inspector found some of the ramps constructed along West Ridgecrest Boulevard were not constructed per plan and exceeded the American Disability Act (ADA) standards; and

**WHEREAS**, Mark Thomas and Company was asked to visit the construction site to provide input on how to best resolve the issues on the errant ramps along the corridor; and

**WHEREAS**, The site visit also examined issues at Warner Street to avoid a large utility vault; and

**WHEREAS**, After the site inspection, it was found that the errant ramps were formed incorrectly and a survey crew was sent to collect data in order to perform design remedies; and

**WHEREAS**, The design remedy was then used to make corrections and all ramps were fixed by the contractor; and

**WHEREAS**, Funding in the amount of Six Thousand One Hundred Eight-Four Dollars (\$6,184.00) will be taken from the TAB Funds that have already been allocated to the West Ridgecrest Boulevard Project.

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest hereby:

1. Authorizes to amend the Professional Service Agreement with Mark Thomas and Company in the amount of Six Thousand One Hundred Eight-Four Dollars (\$6,184.00).
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.
3. Authorizes the City Manager, Dennis Speer, to execute the amended agreement.

APPROVED AND ADOPTED THIS 7<sup>th</sup> DAY OF OCTOBER 2015 by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

\_\_\_\_\_  
Peggy Breeden, Mayor

\_\_\_\_\_  
Rachel J. Ford, CMC, City Clerk

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

SUBJECT: A Resolution To Amend The Professional Service Agreement With Quad Knopf Inc., For Additional Service Of Right-Of-Way Acquisition In The Amount Of Twenty-Four Thousand, Four Hundred Fifty Dollars (\$24,450.00) And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement

PRESENTED BY:

Dennis Speer, Public Works Director

SUMMARY:

The City of Ridgecrest is proposing to pave a new road on North Warner Street from Drummond Avenue to West Howell Avenue with funds from the Congestion Mitigation Air Quality Program administered by Caltrans.

The amended contract will address the additional right-of-way acquisition services in accordance with Caltrans requirements and the recent changes to the Right of Way Manual required for the completion of the improvements for the North Warner Street Project.

The work provided under this agreement will enable this project to advance to a request for authorization to proceed with construction.

The Twenty-Four Thousand Four Hundred Fifty Dollars (\$24,450.00) will come from TAB Funding.

Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-2601 project number ST15-01.

Staff recommends that the City amends the professional services agreement with Quad Knopf Inc., for the right-of-way acquisition services.

FISCAL IMPACT: \$24,450.00

Reviewed by Finance Director

ACTION REQUESTED:

Adopt A Resolution To Amend The Professional Service Agreement With Quad Knopf Inc., For Additional Service Of Right-Of-Way Acquisition In The Amount Of Twenty-Four Thousand Four Hundred Fifty Dollars (\$24,450.00) And Authorize The City Manager, Dennis Speer, To Execute The Amended Agreement

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: October 7, 2014

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**RESOLUTION NO. 15-XX**

**A RESOLUTION TO AMEND THE PROFESSIONAL SERVICE AGREEMENT WITH QUAD KNOPF INC., FOR ADDITIONAL SERVICE OF RIGHT-OF-WAY ACQUISITION IN THE AMOUNT OF TWENTY-FOUR THOUSAND FOUR HUNDRED AND FIFTY DOLLARS (\$24,450.00) AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE AMENDED AGREEMENT**

**WHEREAS**, The City of Ridgecrest is proposing to pave a new road on North Warner Street from Drummond Avenue to West Howell Avenue with funds from the Congestion Mitigation Air Quality Program; and

**WHEREAS**, The amended contract will address the additional right-of-way acquisition services in accordance with Caltrans requirements and the recent changes to the Right of Way Manual required for the completion of the improvements for the North Warner Street Project; and

**WHEREAS**, The work provided under this agreement will enable this project to advance to a request for authorization to proceed with construction; and

**WHEREAS**, The Twenty-Four Thousand Four Hundred Fifty Dollars (\$24,450.00) will come from TAB Funding; and

**WHEREAS**, Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-2601 project number ST15-01.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest hereby:

1. Authorizes to amend the Professional Service Agreement with Quad Knopf Inc. for additional right-of-way services in the amount of Twenty-Four Thousand Four Hundred Fifty Dollars (\$24,450.00), and
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts, and
3. Authorizes the City Manager, Dennis Speer, to execute the amended agreement.

**APPROVED AND ADOPTED THIS** 7<sup>th</sup> day of October by the following vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

\_\_\_\_\_  
Rachel J. Ford, CMC, City Clerk

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

**SUBJECT:**

A Resolution To Approve The Purchase Of A Trimble R10 Survey Grade GPS Rover Unit For A Fee Of Thirty-Five Thousand Six Hundred Ninety-Two Dollars And Thirty-Five Cents (\$35,692.35) For The Use Of Locating Underground Utilities For The Wastewater Treatment Facility

**PRESENTED BY:**

Dennis Speer, Public Works Director

**SUMMARY:**

With the upcoming projects that the Wastewater Treatment Department will be doing in replacing sewer lines and manholes, it is imperative that they have a high precision survey GPS Rover Unit to locate utilities lines such as gas, water and electric.

Normally, a base station unit is required to obtain precise location of utility lines and the purchase price roughly doubles. The City of Ridgecrest has received permission from the Indian Wells Water District to utilize their base station, the Water District is currently using the same GPS Rover Unit, and this will keep the cost to the City of Ridgecrest to a minimum.

The purchase of this unit will be a sole source, Allen Instruments, due to the fact that the manufacturer of the product has authorized only one company in the Kern County area be available for the City to purchase the unit (See Attachment "A").

Funding for the GPS Rover Unit in the amount of thirty-five thousand six hundred ninety-two dollars and thirty-five cents (\$35,692.35) will come from the Wastewater Collection for outside street and maintenance expenditure account 005-4552-455-2305 and transferred to Wastewater Collection expenditure account 005-4552-455-4139 other computer equipment.

**FISCAL IMPACT:**

\$35,692.35

Reviewed by Finance Director

**ACTION REQUESTED:**

Approve A Resolution To Approve The Purchase Of A Trimble R10 Survey Grade GPS Rover Unit For A Fee Of Thirty-Five Thousand Six Hundred Ninety-Two Dollars And Thirty-Five Cents (\$35,692.35) For The Use Of Locating Underground Utilities For The Wastewater Treatment Facility

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

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

Action Date: October 7, 2015

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**RESOLUTION NO. 15-XX**

**A RESOLUTION TO APPROVE THE PURCHASE OF A TRIMBLE R10 SURVEY GRADE GPS ROVER UNIT FOR THE USE OF LOCATING UNDERGROUND UTILITIES FOR THE WASTEWATER TREATMENT FACILITY**

**WHEREAS**, With the upcoming projects that the Wastewater Treatment Department will be doing in replacing sewer lines and manholes, it is imperative that they have a high precision survey GPS system, such as the Trimble GPS system, to locate utilities lines such as gas, water and electric; and,

**WHEREAS**, To keep costs to a minimum the Indian Wells Valley Water District has agreed to allow the City to utilize their Trimble Base Station, however, the City will need to purchase the companion Rover Unit; and,

**WHEREAS**, The purchase of the Trimble GPS Rover Unit from Allen Industries is a sole source purchase because they are the only authorized vendor available in Kern County (See Attachment "A"); and,

**WHEREAS**, Funding for the GPS Rover Unit in the amount of \$35,692.35 will come from the Wastewater Collection for outside street and maintenance expenditure account 005-4552-455-2305 and transferred to Wastewater Collection expenditure account 005-4552-455-4139 other computer equipment.

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Ridgecrest hereby:

1. Approves the purchase of a Trimble GPS Rover Unit in the amount of \$35,692.35 from a sole source, Allen Instruments; and,
2. Authorizes the Finance Director to amend the budget to reflect all appropriate capital, revenue and transfer accounts.

**APPROVED AND ADOPTED** this 7<sup>th</sup> day October 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

\_\_\_\_\_  
Rachel J. Ford, CMC  
City Clerk

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February 19, 2015

Re. Trimble Survey Equipment

To Whom It May Concern,

Trimble Navigation Limited ("*Trimble*") wishes to inform you of the following:

Allen Instruments is the sole authorized Trimble reseller of Trimble branded survey equipment with in-house service and repair center capabilities in the State of Arizona and State of California Counties of: San Luis Obispo, Kern, San Bernardino, Santa Barbra, Ventura, Los Angeles, Orange, Riverside, San Diego, Imperial.

I remain available if you have additional questions.

Regards,

A handwritten signature in black ink that reads "Eric Wuestefeld". The signature is fluid and cursive.

Eric Wuestefeld

Geospatial Sales Manager  
Western USA & Canada  
Trimble Navigation Limited  
10368 Westmoor Dr.  
Westminster, CO 80021  
+1-303-635-8476

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**5**

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

**SUBJECT:**

Acceptance of the Actuarial Valuation report of the City's OPEB

**PRESENTED BY:**

Tyrell Staheli, Finance Director

**SUMMARY:**

The City of Ridgecrest provides postretirement health benefits for eligible retirees and their dependents at retirement. In general, to be eligible for retiree health benefits, an employee must retire from the City and began receiving a pension benefit thru CalPERS. The City's financial obligation is to provide \$122 per month subject to the CalPERS statutory minimum required contribution. In 2016, the minimum contribution is scheduled to increase to \$125. Employees who are member of the Police Employees Association of Ridgecrest ("PEAR") and who retired between the dates of March 15, 2005 to August 31, 2011 are eligible for a \$100 per month reimbursement for non-CalPERS coverage with proof of verification. PEAR members who retire after August 31, 2011 are eligible to \$250 per month reimbursement for non-CalPERS coverage. At the start of the current fiscal year, the City has 24 retirees participating in the CalPERS health plan and three PEAR retirees are receiving the \$100 per month reimbursement directly from the City for their non-CalPERS coverage while there are two PEAR retirees receiving the \$250 per month reimbursement.

As part of the GASB 45 compliance, the City engaged the services of Nyhart Company to perform actuarial services related to GASB 45. In 2008 the City set up an irrevocable trust with CalPERS to prefund 100% of its post employment retirement benefit obligation. From its inception in 2008 to FY 2015, the City has contributed to the trust a total of \$430,131. The current market value of the trust as of June 30, 2015 is \$611,217.

The attached Actuarial Valuation study shows the City's actuarial accrued liability (AAL) as of the measurement date of June 30, 2015 is \$1,632,502. Factoring the market value of the assets in the trust as of June 30, 2015, the city's unfunded actuarial accrued liability (UAAL) is equal to \$1,021,285. Assuming this amount is to be amortized in 22 years on a level percentage of pay method, the amortization would be \$73,877 per year. The annual required contribution (ARC) is estimated to be 2.5% of the annual payroll estimated at \$5,567,000.

The table below shows the calculation of the annual required contribution (ARC) under GASB 45 for the fiscal years ending June 30, 2016 and June 30, 2017.

|                                   | FY 2015/2016 | FY 2016/2017 |
|-----------------------------------|--------------|--------------|
| Normal Cost at End of Fiscal Year | \$ 62,989    | \$ 67,574    |
| Amortization of UAAL              | 73,877       | 76,093       |
| Annual Required Contribution      | \$ 136,866   | \$ 143,667   |

|  |
|--|
| <b>FISCAL IMPACT:</b><br>Continuation of OPEB contributions: \$136,866 in FY 2016 and \$143,667 in FY 2017 |
| <b>ACTION REQUESTED:</b><br>Approval of the attached resolution.   |
| <b>CITY MANAGER'S RECOMMENDATION:</b><br><br>As requested.   |

Prepared by: Tess Sloan

Action date: October 7, 2015

**RESOLUTION NO. 15-XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST  
ACCEPTING THE OPEB ACTUARIAL STUDY AS OF JUNE 30, 2015  
PREPARED BY NYHART COMPANY**

**WHEREAS**, the Government Accounting Standards Board (GASB) establishes financial accounting and reporting standards for state and local government entities, which recognize GASB as the official source of generally accepted accounting principles for state and local government; and

**WHEREAS**, GASB Standard No. 45 establishes the guidelines for accounting and financial reporting of other post-employment benefits (OPEB) and requires each public agency to engage biennially a certified actuary to calculate the current and future costs and liabilities of an agency's OPEB; and

**WHEREAS**, the City of Ridgecrest engaged the services of Nyhart Company to perform actuarial services related to GASB 45; and

**WHEREAS**, the only post-employment benefit offered to the City of Ridgecrest employees is the mandatory minimum employer contribution required by Government Code Section 22892(a) & (b) under the Public Employees' Medical and Hospital Care Act for those employees who upon retirement, elect to enroll in the CalPERS health benefits program; otherwise if they elect to get their health insurance coverage outside CalPERS, the City does not give them any other benefit unless the employee is a member of the Police Employee Association of Ridgecrest (PEAR) bargaining group and retired after March 17, 2005. In which case, upon presentation of proof of other health insurance coverage, they are eligible to receive \$100 per month if the PEAR member retires between March 17, 2005 and August 31, 2011 or \$250 per month for those who retire after August 31, 2011; and

**WHEREAS**, resolution 08-16 authorized the prefunding 100% of the City of Ridgecrest's annual required contribution of its other post-employment benefit obligation and the establishment of its California Employers' Retiree Benefit Trust Fund with CalPERS

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Ridgecrest hereby accepts the actuarial valuation report from Nyhart Company (attached herein).

**APPROVED AND ADOPTED** this 7<sup>th</sup> day of October, 2015, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Peggy Breeden, Mayor

ATTEST:

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Rachel J. Ford, CMC, City Clerk

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August 28, 2015

**PRIVATE**

City of Ridgecrest  
Attn: Ms. Tess Sloan  
Accounting Manager  
100 West California  
Ridgecrest, CA 93555

Re: GASB Actuarial Valuation

Dear Ms. Sloan:

We are presenting our report of the June 30, 2015 actuarial valuation conducted on behalf of the City of Ridgecrest (the "City") for its retiree health program.

The purpose of the valuation is to measure the City's liability for retiree health benefits and to determine the City's accounting requirements under the Government Accounting Standard Board Statements No. 43 & 45 (GASB 43 & 45) in regard to unfunded liabilities for retiree health benefits. The objective of GASB 45 is to improve the information in the financial reports of government entities regarding their post-employment benefits (OPEB) including retiree health benefits. The objective of GASB 43 is to establish uniform reporting for OPEB Plans.

The Nyhart Company is an employee owned actuarial, benefits and compensation consulting firm specializing in group health and retiree health and qualified pension plan valuations. We have set forth the results of our study in this report.

We have enjoyed working on this assignment and are available to answer any questions.

Sincerely,  
NYHART

A handwritten signature in black ink, appearing to read "Marilyn K. Jones". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Marilyn K. Jones, ASA, MAAA, EA, FCA  
Consulting Actuary

MKJ:rl

Enclosure



**City of Ridgecrest  
Actuarial Valuation  
Retiree Health Program  
As of June 30, 2015**

July 2015

Prepared By:

Nyhart  
530 B Street, Suite 900  
San Diego, CA 92101-4404  
(619) 239-0831  
[www.nyhart.com](http://www.nyhart.com)

• Indianapolis • Chicago • Kansas City • Atlanta •  
• St. Louis • San Diego • Houston • Denver •

*An Alliance Benefit Group Licensee*

**City of Ridgecrest  
Retiree Health Benefits Program  
GASB Actuarial Valuation  
As of June 30, 2015**

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## **SECTION I. EXECUTIVE SUMMARY**

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### **Background**

The City of Ridgecrest (the “City”) selected Nyhart to perform an updated actuarial valuation of its retiree health program. The purpose of the actuarial valuation is to measure the City’s liability for retiree health benefits and to determine the City’s accounting requirements for other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statements No. 43 & 45 (GASB 43 and GASB 45). GASB 45 requires accrual accounting for the expensing of OPEB. The expense is generally accrued over the working career of employees. GASB 43 requires additional financial disclosure requirements for funded OPEB Plans.

The City currently provides a contribution for retiree medical benefits to approximately 27 retired employees. In addition, approximately 98 active employees are earning credit towards eligibility for a City contribution for future retiree medical benefits. In general, to be eligible for a City contribution, an employee must retire from the City and began receiving a pension benefit through CalPERS. The City’s financial obligation is to provide the CalPERS statutory minimum required contribution (\$122 per month in 2015, \$125 per month in 2016, and indexed to medical price inflation for future years). Effective in 2005, employees who are members of the Police Employees Association of Ridgecrest (“PEAR”) are eligible for a \$100 per month reimbursement for non-CalPERS coverage if retiring prior to September 1, 2011. This amount increased to \$250 per month for eligible PEAR employees retiring on or after September 1, 2011. The valuation has been performed assuming the City’s defined contribution of the \$250 reimbursements for PEAR employees will be held constant in future years. Future increases would increase the liability. Section V of the report details the plan provisions that were included in the valuation.

The City participates in the CalPERS Health Program for its retiree medical coverage. In general, the premium rates charged to participating employers are the same for each medical plan within each region (or “community”) and are the same for both active and retired employees covered under the same medical plan. An implied rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. GASB 45 requires that implied rate subsidies be considered in the valuation of medical costs. In past valuations the liability for the implicit rate subsidy was excluded from the valuation as the GASB had provided for an exemption for community-rated plans. This valuation includes an estimate of the liability for the implicit rate subsidy.

### **Results of the Retiree Health Valuation**

We have determined that the amount of the actuarial liability for the City’s retiree health plan as of June 30, 2015, the measurement date, is \$2,072,142 (including \$1,526,220 for the City’s explicit contribution and \$545,922 for the implicit rate subsidy). This value is based on an assumed discount rate of 7.28%. The amount represents the present value of all benefits projected to be paid by the City for current and future retirees. If the City were to place this amount in a fund earning interest at the rate of 7.28% per year, and all other actuarial assumptions were met, the fund would have enough to pay the City’s required contribution for retiree health benefits. This includes benefits for the current retirees as well as the current active employees expected to retire in the future. The valuation does not consider employees not yet hired as of the valuation date.

If the amount of the actuarial liability is apportioned into past service, current service and future service components; the past service component (actuarial accrued liability) is \$1,632,502 (including \$1,208,322 for the City's explicit contribution and \$424,180 for the implicit rate subsidy)., the current service component (normal cost or current year accrual) is \$58,714 (including \$43,337 for the City's explicit contribution and \$15,377 for the implicit rate subsidy). and the future service component (not yet accrued liability) is \$380,926 (including \$274,561 for the City's explicit contribution and \$106,365 for the implicit rate subsidy).

### Changes from Prior Valuation

The valuation reflects updated census and rate information. In addition, there were several assumption changes including updates to the mortality and retirement assumptions, a lowering of the discount rate to 7.28% for CERBT investment strategy 1 and the inclusion of a liability for the implicit rate subsidy. A reconciliation of the approximate change in the liability from the prior valuation is provided below:

|  |                    |
|--|--------------------|
| <b>June 30, 2013 Valuation @7.61%</b>                  | <b>\$1,213,000</b> |
| Increase due to passage of time                        | 112,000            |
| Increase due to liability for new entrants             | 115,000            |
| Net experience gain                                    | ( 66,000)          |
| Net increase due to updated demographic assumptions    | 66,000             |
| Increase due to lowering of discount rate to 7.28%     | <u>86,000</u>      |
| <b>June 30, 2015 Valuation @7.28%</b>                  | <b>\$1,526,000</b> |
| Increase due to inclusion of the implicit rate subsidy | <u>546,000</u>     |
| <b>June 30, 2015 Valuation @7.28%</b>                  | <b>\$2,072,000</b> |

### Funding

The City's funding policy is to fund 100% of the annual required contribution as determined under GASB 45 through the California Employers' Retiree Benefit Trust (CERBT). The market value of assets including any contribution receivable or benefits payable in CERBT as of June 30, 2015 is \$611,217. The actuarial value of assets at June 30, 2015 is equal to the market value of assets. The unfunded actuarial accrued liability (UAAL) at June 30, 2015 is \$1,021,285 (\$597,105 for the City's explicit contribution). The funded ratio is 37% (51% for City's explicit contribution) using actuarial value of assets. The UAAL as a percentage of payroll is 18%.

The CERBT provides participating employers with the choice of three investment allocation strategies. The expected rate of return of assets is dependent on the funding strategy of a participating employer and which investment allocation strategy is selected. For employers fully funding their annual required contribution, strategy 1 has a CERBT published median yield of 7.28%, strategy 2 has a published median yield of 6.73% and strategy 3 has a published median yield of 6.12%. The valuation was performed using a 7.28% discount rate assuming the City remains in strategy 1 for the 2015/2016 and 2016/2017 fiscal years and assumes no additional margin for adverse deviation applied to the CERBT stated median discount rate. The results for alternatives allocation strategies using a 6.73% and 6.12% discount rate are also provided in Section II-J of the report.

### Annual Required Contribution

The City's annual required contribution (accrual expense) for the current fiscal year is \$136,866 (including \$89,685 for the City's explicit contribution and \$47,181 for the implicit rate subsidy). This amount is comprised of the present value of benefits accruing in the current fiscal year (normal cost) plus a 22-year amortization (on a level-percentage of pay basis) of the unfunded actuarial accrued liability/(surplus) at June 30, 2015. Thus, it represents a means to expense the plan's liabilities in an orderly manner. The net increase in OPEB obligation/(asset) at the end of the fiscal year will reflect any actual contributions made by the City during the period for retiree health benefits including any pre-funding amounts and the estimated implicit rate subsidy.

### Actuarial Basis

The actuarial valuation is based on the assumptions and methods outlined in Section VII of the report. To the extent that a single or a combination of assumptions is not met the future liability may fluctuate significantly from its current measurement. As an example, the healthcare cost increase anticipates that the rate of increase in medical cost will be at moderate levels and decline over several years. Increases higher than assumed would bring larger liabilities and expensing requirements. A 1% increase in the healthcare trend rate for each future year would increase the annual required contribution by 23%.

Another key assumption used in the valuation is the discount (interest) rate which is based on the expected rate of return of plan assets. The valuation is based on a discount rate of 7.28%. A 0.5% decrease in the discount rate would increase the annual required contribution by 8%. A 0.5% increase in the discount rate would decrease the annual required contribution by 8%.

Scheduled to take effect in 2018, the "Cadillac Tax" is a 40% non-deductible excise tax on employer-sponsored health coverage that provides high-cost benefits. For pre-65 retirees and individuals in high-risk professions, the threshold amounts are currently \$11,850 for individual coverage and \$30,950 for family coverage. For insured plans, the insurance company is responsible for payment of the excise tax. For self-funded plans, the employer is responsible for payment of the excise tax. The valuation does not include any additional liability for the Cadillac Tax.

The valuation is based on the census, plan and rate information provided by the City. To the extent that the data provided lacks clarity in interpretation or is missing relevant information, this can result in liabilities different than those presented in the report. Often missing or unclear information is not identified until future valuations.

## **SECTION II. FINANCIAL RESULTS**

### **A. Valuation Results as of June 30, 2015**

The table below presents the employer liabilities associated with the City's retiree health benefits determined in accordance with GASB 45. The actuarial liability is the present value of all benefits or contributions projected to be paid by the City under the program. The actuarial accrued liability reflects the amount attributable to the past service of current employees and retirees. The normal cost reflects the accrual attributable for the current period.

|                                      | <u>Pear</u>    | <u>Race</u>    | <u>Mgmt</u>    | <u>Mid-Mgmt</u> | <u>Conf.</u>  | <u>Total</u>   |
|--------------------------------------|----------------|----------------|----------------|-----------------|---------------|----------------|
| 1. Actuarial Liability (AL)          |                |                |                |                 |               |                |
| Actives                              | \$662,703      | \$317,453      | \$ 44,047      | \$143,214       | \$117,128     | \$1,284,545    |
| Retirees                             | <u>332,016</u> | <u>186,298</u> | <u>166,355</u> | <u>80,468</u>   | <u>22,460</u> | <u>787,597</u> |
| Total AL                             | \$994,719      | \$503,751      | \$210,402      | \$223,682       | \$139,588     | \$2,072,142    |
| Explicit Contribution                | \$758,704      | \$381,677      | \$141,411      | \$145,818       | \$ 98,610     | \$1,526,220    |
| Implied Subsidy                      | \$236,015      | \$122,074      | \$ 68,991      | \$ 77,864       | \$ 40,978     | \$ 545,922     |
| 2. Actuarial Accrued Liability (AAL) |                |                |                |                 |               |                |
| Actives                              | \$394,123      | \$225,199      | \$ 28,578      | \$119,004       | \$ 78,001     | \$ 844,905     |
| Retirees                             | <u>332,016</u> | <u>186,298</u> | <u>166,355</u> | <u>80,468</u>   | <u>22,460</u> | <u>787,597</u> |
| Total AAL                            | \$726,139      | \$411,497      | \$194,933      | \$199,472       | \$100,461     | \$1,632,502    |
| Explicit Contribution                | \$562,199      | \$317,579      | \$128,246      | \$127,695       | \$ 72,603     | \$1,208,322    |
| Implied Subsidy                      | \$163,940      | \$ 93,918      | \$ 66,687      | \$ 71,777       | \$ 27,858     | \$ 424,180     |
| 3. Normal Cost                       | \$ 30,867      | \$ 14,601      | \$ 2,918       | \$ 4,645        | \$ 5,683      | \$ 58,714      |
| Explicit Contribution                | \$ 22,966      | \$ 10,270      | \$ 2,591       | \$ 3,642        | \$ 3,868      | \$ 43,337      |
| Implied Subsidy                      | \$ 7,901       | \$ 4,331       | \$ 327         | \$ 1,003        | \$ 1,815      | \$ 15,377      |
| No. of Actives                       | 40             | 30             | 3              | 11              | 14            | 98             |
| Average Age                          | 37.5           | 48.2           | 54.8           | 56.1            | 41.3          | 43.9           |
| Average Past Service                 | 8.6            | 10.3           | 13.5           | 14.8            | 8.3           | 9.8            |
| No. of Retirees                      | 11             | 8              | 5              | 2               | 1             | 27             |
| Average Age                          | 62.0           | 69.8           | 69.2           | 56.3            | 71.4          | 65.6           |
| Average Retirement Age               | 53.3           | 60.3           | 61.8           | 51.5            | 67.7          | 57.4           |

### **B. Reconciliation of Market Value of Plan Assets**

The reconciliation of Plan Assets for the last two fiscal years is presented below:

|                                     | <u>6/30/2014</u> | <u>6/30/2015</u> |
|-------------------------------------|------------------|------------------|
| 1. Beginning Market Value of Assets | \$ 449,520       | \$ 571,481       |
| 2. Contribution                     | 39,460           | 41,034           |
| 3. Fund Earnings (gross)            | 83,182           | ( 722)           |
| 4. Benefit Payments                 | 0                | 0                |
| 5. Administrative Expenses          | <u>( 681)</u>    | <u>( 576)</u>    |
| 6. Ending Market Value of Assets    | \$ 571,481       | \$ 611,217       |
| 7. Approximate Rate of Return       | 18%              | 0%               |

Note: Assets reflect contributions made to the CERBT; exclude any direct payments made by the City for payment of benefits; rate of return assumes contributions and payments are made mid-year.

C. Development of Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets plus any contribution receivable or benefits payable. The actuarial value of assets at June 30, 2015 is \$611,217.

D. Development of Unfunded Actuarial Accrued Liability

The table below presents the development of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is the excess of the actuarial accrued liability (AAL) over the actuarial value of eligible plan assets.

|                                      | <u>Explicit</u>   | <u>Implicit</u> | <u>Total</u>      |
|--------------------------------------|-------------------|-----------------|-------------------|
| 1. Actuarial Accrued Liability (AAL) | \$1,208,322       | \$ 424,180      | \$ 1,632,502      |
| 2. Actuarial Value of Assets         | <u>( 611,217)</u> | <u>( 0)</u>     | <u>( 611,217)</u> |
| 3. Unfunded AAL                      | \$ 597,105        | \$ 424,180      | \$ 1,021,285      |

E. Amortization of Unfunded Actuarial Accrued Liability

The amortization of the unfunded actuarial accrued liability component of the annual contribution (ARC) is being amortized over a period of 22 years on a level-percentage of pay method. Under the level-percentage of pay method, the amortization payment is scheduled to increase in future years based on wage inflation.

|                         |            |            |              |
|-------------------------|------------|------------|--------------|
| 1. Unfunded AAL (UAAL)  | \$ 597,105 | \$ 424,180 | \$ 1,021,285 |
| 2. Amortization Factor  | 13.82418   | 13.82418   | 13.82418     |
| 3. Amortization of UAAL | \$ 43,193  | \$ 30,684  | \$ 73,877    |

F. Annual Required Contribution (ARC)

The table below presents the development of the annual required contribution (ARC) under GASB 45 for the fiscal year ending June 30, 2016 and estimated for the fiscal year ending June 30, 2017.

*FY2015/2016*

|                                       |               |               |               |
|---------------------------------------|---------------|---------------|---------------|
| 1. Normal Cost at End of Fiscal Year  | \$ 46,492     | \$ 16,497     | \$ 62,989     |
| 2. Amortization of Surplus            | <u>43,193</u> | <u>30,684</u> | <u>73,877</u> |
| 3. Annual Required Contribution (ARC) | \$ 89,685     | \$ 47,181     | \$ 136,866    |
| 4. Estimated Payroll                  | \$5,567,000   | \$5,567,000   | \$5,567,000   |
| 5. ARC as a Percentage of Payroll     | 1.6%          | 0.9%          | 2.5%          |

*FY2016/2017*

|                                       |               |               |               |
|---------------------------------------|---------------|---------------|---------------|
| 1. Normal Cost at End of Fiscal Year  | \$ 49,876     | \$ 17,698     | \$ 67,574     |
| 2. Amortization of Surplus            | <u>44,489</u> | <u>31,604</u> | <u>76,093</u> |
| 3. Annual Required Contribution (ARC) | \$ 94,365     | \$ 49,302     | \$ 143,667    |

G. Required Supplementary Information (Funding Progress @6/30/2015)

The table below presents a sample disclosure of the funding progress as of the beginning of the fiscal year.

|                                      |                   |             |                   |
|--------------------------------------|-------------------|-------------|-------------------|
| 1. Actuarial Accrued Liability (AAL) | \$1,208,322       | \$ 424,180  | \$ 1,632,502      |
| 2. Actuarial Value of Assets         | <u>( 611,217)</u> | <u>( 0)</u> | <u>( 611,217)</u> |
| 3. Unfunded AAL                      | \$ 597,105        | \$ 424,180  | \$ 1,021,285      |
| 4. Funded Ratio                      | 51%               | 0%          | 37%               |
| 5. Current Payroll                   | \$5,567,000       | \$5,567,000 | \$5,567,000       |
| 6. UAAL as % of Payroll              | 10.7%             | 7.6%        | 18.3%             |

H. Estimated Net OPEB Obligation/(Asset) at 6/30/2016<sup>1</sup>

The table below shows an illustration of the development of the net OPEB obligation/(asset) at June 30, 2016 assuming the net OPEB obligation/(asset) at June 30, 2015 is (36,344).

|  |                  |
|--|------------------|
| 1. FY2015/2016 Annual Required Contribution  | \$136,866        |
| 2. Interest on Net OPEB Obligation/(Asset)<br>[.0728 x H7]                             | ( 2,646)         |
| 3. Adjustment to ARC [minus H7/D2]   | <u>\$ 2,629</u>  |
| 4. Annual OPEB Cost [H1+H2+H3]   | \$136,849        |
| 5. Contributions Made (ARC Inclusive of Benefit<br>Payments and Implicit Rate Subsidy) | ( 136,865)       |
| 6. Increase in Net OPEB Obligation/(Asset)   | (\$ 18)          |
| 7. Net OPEB Obligation/(Asset) – June 30, 2015   | <u>( 36,344)</u> |
| 8. Net OPEB Obligation/(Asset) – June 30, 2016   | ( \$ 36,362)     |

I. Sensitivity Analysis:

The impact of a 0.5% decrease or increase in the discount (interest) rate and the impact of a 1% increase in future healthcare trend rates on the City's actuarial liability, actuarial accrued liability, unfunded actuarial accrued liability and the annual required contribution is provided below:

|   | Dollar<br>(\$ Increase/<br>(Decrease) | Percentage<br>(%) Increase/<br>(Decrease) |
|---|---------------------------------------|---|
| <i>0.5% Decrease in Discount Rate</i>               |                                       |   |
| - Actuarial Liability                               | \$ 181,455                            | 9%  |
| - Actuarial Accrued Liability                       | \$ 109,064                            | 7%  |
| - Unfunded Actuarial Accrued Liability              | \$ 109,064                            | 11%                                       |
| - Annual Required Contribution                      | \$ 11,590                             | 8%  |
| <i>0.5% Increase in Discount Rate</i>               |                                       |   |
| - Actuarial Liability                               | (\$ 158,996)                          | (8%)                                      |
| - Actuarial Accrued Liability                       | (\$ 98,415)                           | (6%)                                      |
| - Unfunded Actuarial Accrued Liability              | (\$ 98,415)                           | (10%)                                     |
| - Annual Required Contribution                      | (\$ 10,493)                           | (8%)                                      |
| <i>1% Increase in Future Healthcare Trend Rates</i> |                                       |   |
| - Actuarial Liability                               | \$ 342,552                            | 17%                                       |
| - Actuarial Accrued Liability                       | \$ 217,071                            | 13%                                       |
| - Unfunded Actuarial Accrued Liability              | \$ 217,071                            | 21%                                       |
| - Annual Required Contribution                      | \$ 31,547                             | 23%                                       |

<sup>1</sup> Assumes the City contributions the annual required contribution for the 2015/2016 fiscal year.

J. Liabilities - Alternative Discount Rate

The results below present the impact of the liability and annual required contribution using a discount rate to reflect pre-funding the retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) alternative allocation strategies 2 and 3 with discount rates of 6.73% and 6.12%, respectively.

Investment Strategy 2

| <u>Liabilities</u>                   | <u>Explicit</u> | <u>Implicit</u> | <u>Total</u>   |
|--------------------------------------|-----------------|-----------------|----------------|
| 1. Actuarial Liability (AL)          |                 |                 |                |
| Actives                              | \$1,053,695     | \$390,740       | \$1,444,435    |
| Retirees                             | <u>634,626</u>  | <u>194,068</u>  | <u>828,694</u> |
| Total AL                             | \$1,688,321     | \$584,808       | \$2,273,129    |
| 2. Actuarial Accrued Liability (AAL) |                 |                 |                |
| Actives                              | \$ 674,200      | \$250,220       | \$ 924,420     |
| Retirees                             | <u>634,626</u>  | <u>194,068</u>  | <u>828,694</u> |
| Total AAL                            | \$1,308,826     | \$444,288       | \$1,753,114    |
| 3. Actuarial Value of Assets         | ( 611,217)      | ( 0)            | ( 611,217)     |
| 4. Unfunded AAL (UAAL)               | \$ 697,609      | \$444,288       | \$ 1,141,897   |
| 5. Amortization Factor               | 15.33951        | 15.33951        | 15.33951       |
| 6. Amortization of UAAL              | \$ 47,939       | \$ 30,531       | \$ 78,470      |

FY2015/2016 Annual Required Contribution (ARC)

|  |               |               |               |
|--|---------------|---------------|---------------|
| 1. Normal Cost at End of Year          | \$ 53,011     | \$ 18,202     | \$ 71,213     |
| 2. Amortization of UAAL at End of Year | <u>47,939</u> | <u>30,531</u> | <u>78,470</u> |
| 3. Annual Required Contribution (ARC)  | \$ 100,950    | \$ 48,733     | \$ 149,683    |

FY2016/2017 Annual Required Contribution (ARC)

|  |               |               |               |
|--|---------------|---------------|---------------|
| 1. Normal Cost at End of Year          | \$ 56,578     | \$ 19,427     | \$ 76,005     |
| 2. Amortization of UAAL at End of Year | <u>49,377</u> | <u>31,447</u> | <u>80,824</u> |
| 3. Annual Required Contribution (ARC)  | \$ 105,955    | \$ 50,874     | \$ 156,829    |

Investment Strategy 3

| <u>Liabilities</u>                   | <u>Explicit</u> | <u>Implicit</u> | <u>Total</u>   |
|--------------------------------------|-----------------|-----------------|----------------|
| 1. Actuarial Liability (AL)          |                 |                 |                |
| Actives                              | \$1,222,102     | \$433,226       | \$1,655,328    |
| Retirees                             | <u>678,762</u>  | <u>200,568</u>  | <u>879,330</u> |
| Total AL                             | \$1,900,864     | \$633,794       | \$2,534,658    |
| 2. Actuarial Accrued Liability (AAL) |                 |                 |                |
| Actives                              | \$ 757,142      | \$267,937       | \$1,025,079    |
| Retirees                             | <u>678,762</u>  | <u>200,568</u>  | <u>879,330</u> |
| Total AAL                            | \$1,435,904     | \$468,505       | \$1,904,409    |
| 3. Actuarial Value of Assets         | ( 611,217)      | ( 0)            | ( 611,217)     |
| 4. Unfunded AAL (UAAL)               | \$ 824,687      | \$468,505       | \$1,293,192    |
| 5. Amortization Factor               | 15.42768        | 15.42768        | 15.42768       |
| 6. Amortization of UAAL              | \$ 53,455       | \$ 30,368       | \$ 83,823      |

FY2015/2016 Annual Required Contribution (ARC)

|  |               |               |               |
|--|---------------|---------------|---------------|
| 1. Normal Cost at End of Year          | \$ 61,599     | \$ 20,325     | \$ 81,924     |
| 2. Amortization of UAAL at End of Year | <u>53,455</u> | <u>30,368</u> | <u>83,823</u> |
| 3. Annual Required Contribution (ARC)  | \$ 115,054    | \$ 50,693     | \$ 165,747    |

FY2016/2017 Annual Required Contribution (ARC)

|  |               |               |               |
|--|---------------|---------------|---------------|
| 1. Normal Cost at End of Year          | \$ 65,369     | \$ 21,569     | \$ 86,938     |
| 2. Amortization of UAAL at End of Year | <u>55,059</u> | <u>31,279</u> | <u>86,338</u> |
| 3. Annual Required Contribution (ARC)  | \$ 120,428    | \$ 52,848     | \$ 173,276    |

### **SECTION III. PROJECTED CASH FLOWS**

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The valuation process includes the projection of the expected benefits (including the explicit City contribution and the implicit rate subsidy) to be paid by the City under its retiree health benefits program. This expected cash flow takes into account the likelihood of each employee reaching age for eligibility to retire and receive health benefits. The projection is performed by applying the turnover assumption to each active employee for the period between the valuation date and the expected retirement date. Once the employees reach their retirement date, a certain percent are assumed to enter the retiree group each year. Employees already over the latest assumed retirement age as of the valuation date are assumed to retire immediately. The per capita cost as of the valuation date is projected to increase at the applicable healthcare trend rates both before and after the employee's assumed retirement. The projected per capita costs are multiplied by the number of expected future retirees in a given future year to arrive at the cash flow for that year. Also, a certain number of retirees will leave the group each year due to expected deaths or reaching a limit age and this group will cease to be included in the cash flow from that point forward. Because this is a closed-group valuation, the number of retirees dying each year will eventually exceed the number of new retirees, and the size of the cash flow will begin to decrease and eventually go to zero.

The expected employer cash flows for selected future years are provided in the following table:

Projected Employer Total Cash Flows – Representative Years

| <u>Fiscal Year</u> | <u>Explicit</u> | <u>Implicit</u> | <u>City Total</u> |
|--------------------|-----------------|-----------------|-------------------|
| 2015/16            | \$ 44,241       | \$ 32,459       | \$ 76,700         |
| 2016/17            | \$ 48,887       | \$ 32,680       | \$ 81,567         |
| 2017/18            | \$ 53,902       | \$ 40,694       | \$ 94,596         |
| 2018/19            | \$ 58,936       | \$ 45,931       | \$ 104,867        |
| 2019/20            | \$ 64,128       | \$ 46,956       | \$ 111,084        |
| 2020/21            | \$ 69,484       | \$ 38,119       | \$ 107,603        |
| 2021/22            | \$ 75,504       | \$ 35,439       | \$ 110,943        |
| 2022/23            | \$ 80,842       | \$ 39,760       | \$ 120,602        |
| 2023/24            | \$ 86,033       | \$ 37,695       | \$ 123,728        |
| 2024/25            | \$ 92,586       | \$ 40,640       | \$ 133,226        |
| 2025/26            | \$ 98,095       | \$ 35,681       | \$ 133,776        |
| 2026/27            | \$ 103,596      | \$ 39,606       | \$ 143,202        |
| 2027/28            | \$ 109,303      | \$ 34,972       | \$ 144,275        |
| 2028/29            | \$ 115,141      | \$ 34,683       | \$ 149,824        |
| 2029/30            | \$ 121,169      | \$ 34,803       | \$ 155,972        |
| 2030/31            | \$ 128,294      | \$ 33,522       | \$ 161,816        |
| 2031/32            | \$ 134,232      | \$ 36,558       | \$ 170,790        |
| 2032/33            | \$ 139,802      | \$ 36,673       | \$ 176,475        |
| 2033/34            | \$ 145,264      | \$ 34,785       | \$ 180,049        |
| 2034/35            | \$ 150,795      | \$ 37,936       | \$ 188,731        |
| 2035/36            | \$ 156,043      | \$ 36,185       | \$ 192,228        |
| 2036/37            | \$ 161,203      | \$ 34,620       | \$ 195,823        |
| 2037/38            | \$ 166,986      | \$ 36,153       | \$ 203,139        |
| 2038/39            | \$ 172,984      | \$ 45,445       | \$ 218,429        |
| 2039/40            | \$ 179,021      | \$ 52,176       | \$ 231,197        |
| 2040/41            | \$ 184,837      | \$ 46,974       | \$ 231,811        |
| 2041/42            | \$ 190,835      | \$ 50,494       | \$ 241,329        |
| 2042/43            | \$ 196,763      | \$ 46,217       | \$ 242,980        |
| 2043/44            | \$ 202,481      | \$ 58,523       | \$ 261,004        |
| 2044/45            | \$ 207,530      | \$ 67,213       | \$ 274,743        |
| 2045/46            | \$ 211,554      | \$ 69,341       | \$ 280,895        |
| 2050/51            | \$ 222,075      | \$ 68,181       | \$ 290,256        |
| 2055/56            | \$ 215,097      | \$ 21,223       | \$ 236,320        |
| 2060/61            | \$ 198,323      | \$ 0            | \$ 198,323        |
| 2065/66            | \$ 175,535      | \$ 0            | \$ 175,535        |
| 2070/71            | \$ 145,982      | \$ 0            | \$ 145,982        |
| 2075/76            | \$ 108,779      | \$ 0            | \$ 108,779        |
| 2080/81            | \$ 66,050       | \$ 0            | \$ 66,050         |
| 2085/86            | \$ 29,039       | \$ 0            | \$ 29,039         |
| 2090/91            | \$ 8,086        | \$ 0            | \$ 8,086          |
| 2095/96            | \$ 1,117        | \$ 0            | \$ 1,117          |
| 2100/01            | \$ 0            | \$ 0            | \$ 0              |
| All Years          | \$10,233,247    | \$1,889,664     | \$12,122,911      |

## **SECTION IV. GASB 74 AND 75 STUDY**

This study analyzes the impact of the recently issued GASB Statements No. 74 and 75 (GASB 74 and GASB 75) on plan and employer financial statements and comments on the increased disclosure requirements. GASB 74 is effective for fiscal years beginning after June 15, 2016. GASB 75 is effective for fiscal years beginning after June 15, 2017. Actuarial valuations are required to be performed at least once every two years to calculate the net OPEB liability. Plans with less than 100 active and inactive employees can utilize an alternative measurement method, instead of an actuarial valuation, to calculate the net OPEB liability.

GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, focuses on the accounting for OPEB within employers' financial statements and is similar to GASB 68 applicable to governments with defined benefit pension plans. GASB 75 will require the City to accrue the net OPEB liability on its financial statements. The net OPEB liability (NOL) is calculated as the actuarial accrued liability (AAL) using a specific cost method less OPEB plan's fiduciary net position (GASB eligible assets). The two major changes under the new accounting standards that we studied include:

1. The NOL is required to be determined using the Entry Age Normal Level % of Pay Cost Method (EAN) to determine the liability and the market value of assets (MVA). For most employers, this cost method yields a higher unfunded liability than the Projected Unit Credit (PUC) Cost Method.
2. The required discount rate may be lower if projected OPEB assets do not cover projected benefit payments – based on the employer's funding policy and current workforce. The projection of future benefit payments include discretionary ad hoc benefit changes and COLAs, to the extent such changes are made regularly, and certain taxes or other assessments expected to be imposed on the benefit payment.

The table below presents the impact on the determination of the unfunded actuarial accrued liability if GASB 75 were effective at June 30, 2015.

| <b>Assumptions</b>                    | <b>Current</b>   | <b>Change 1&amp;2<br/>Discount Rate**</b>              | <b>Change 1&amp;2<br/>Discount Rate***</b>                              |
|---------------------------------------|--|--|---|
| Discount Rate:                        | 7.28%  | 7.28%  | 4.75%   |
| Cost Method:                          | Entry Age<br>Level \$                                  | Entry Age<br>% of Pay                                  | Entry Age<br>% of Pay   |
| Assumed Funding Policy:               | Fund at least the<br>ARC – Under<br>Entry Age Level \$ | Fund at least the<br>ARC – Under<br>Entry Age Level \$ | Fund at the<br>Explicit Portion of<br>ARC – Under<br>Entry Age Level \$ |
| <b>Impact</b>                         |  |  |   |
| OPEB Liability (AAL):                 | \$1,632,502  | \$1,558,711  | \$2,177,337   |
| Net Fiduciary Position (MVA):         | ( 611,217)   | ( 611,217)   | ( 611,217)  |
| Net OPEB Liability(NOL):              | \$1,021,285  | \$ 947,494   | \$1,566,120   |
| Current Net OPEB Obligation/(Asset)*: | ( 36,344)  | ( 36,344)  | ( 36,344)   |
| Impact on Financial Statement:        | \$1,057,629  | \$ 983,838   | \$1,602,464)  |

\*Current June 30, 2015 Net OPEB Obligation/(Asset) reported by the City.

\*\*Based on the City's current funding and investment policy using current assets, projected contributions and expected earnings, the trust is expected to remain positive in future years. Thus, the discount rate is not required to be blended with a 20-year municipal high quality bond rate.

\*\*\*Assumes City does not pre-fund for the implicit rate subsidy; reflects blended discount rate of 7.28% for portion of years trust is expected to remain positive and a 20-year municipal high quality bond rate (3.75%) for remaining years.

Under GASB 74 and 75, once the NOL is recognized on the City's financial statement, future annual OPEB expense determination requires a specified cost method, immediate recognition of the service cost and interest cost and any benefit changes and requires (shorter) amortization periods for assumptions changes and experience gain losses.

Both GASB 74 and 75 will require governmental employers to present much more extensive note disclosure and Required Supplementary Information (RSI) about their OPEB liabilities.

GASB 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," sets forth requirements for OPEB plan financial statements that are similar to the requirements set forth in GASB 67 for pension plan financial statements. GASB 74 does not require that the underfunded status of the plan be reported as a liability on the plan's financial statements. However, the actuarially determined OPEB liability is required to be disclosed in the footnotes to the financial statements and required supplementary information (RSI), as well as the actuarial assumptions utilized in calculating the liability and various other ratios and disclosures of the composition of the OPEB liability. Additionally, the RSI is to be presented for the past 10 years under GASB 74, as opposed to the past six years as currently required.

GASB 75 requires a statement of fiduciary net position and a statement of changes in fiduciary net position. In addition, GASB 75 requires various footnote disclosures and RSI, including a description of the benefits provided and classes of members covered, the significant assumptions and inputs utilized in calculating the net OPEB liability, the components of the net OPEB liability, and other related ratios. Similar to GASB 74, RSI is required for the past 10 years.

## **SECTION V. BENEFIT PLAN PROVISIONS**

This study analyzes the postretirement health benefit plan provided by the City. The City contributes to the retiree health coverage of eligible retirees and eligible surviving spouses. The City's financial obligation is as follows:

The City provides the minimum required employer contribution (plus any administration fees) under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from CalPERS. An employee is eligible for this employer contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 60 days of retirement with the City. The surviving spouse of an eligible retiree who elected spouse coverage under the CalPERS Health Plan is eligible for the employer contribution upon the death of the retiree. Employees retiring on or after March 17, 2005 who are members of the Police Employees Association of Ridgecrest ("PEAR") are also eligible for a reimbursement of up to \$100 per month for non-CalPERS health coverage. This benefit is \$250 per month for PEAR employees retiring on or after September 1, 2011.

The minimum required employer contributions is statutorily set under PEMHCA and is scheduled to increase in the future based on the medical portion of CPI. A history of the increases in past years and current amounts are as follows:

| Calendar Year | Minimum Required Employer Contribution              |
|---------------|---|
| 2006          | \$64.60   |
| 2007          | \$80.80   |
| 2008          | \$97.00   |
| 2009          | \$101.00  |
| 2010          | \$105.00  |
| 2011          | \$108.00  |
| 2012          | \$112.00  |
| 2013          | \$115.00  |
| 2014          | \$119.00  |
| 2015          | \$122.00  |
| 2016          | \$125.00  |
| 2017+         | Adjusted Annually to reflect Medical Portion of CPI |

## SECTION VI. VALUATION DATA

The valuation was based on the census furnished to us by the City. The following tables display the age distribution for retirees and the age/service distribution for active employees as of the Measurement Date.

### Age Distribution of Eligible Retired Participants & Beneficiaries\*

|                         | PEAR     | Race     | Mgmt     | Mid-Mgt  | Conf     | Total    |
|-------------------------|----------|----------|----------|----------|----------|----------|
| <50                     | 1        | 0        | 0        | 0        | 0        | 1        |
| 50-54                   | 1        | 0        | 0        | 1        | 0        | 2        |
| 55-59                   | 2        | 0        | 2        | 1        | 0        | 5        |
| 60-64                   | 1        | 3        | 0        | 0        | 0        | 4        |
| 65-69                   | 4        | 2        | 0        | 0        | 0        | 6        |
| 70-74                   | 1        | 1        | 1        | 0        | 1        | 4        |
| 75-79                   | 0        | 1        | 1        | 0        | 0        | 2        |
| 80-84                   | 1        | 0        | 1        | 0        | 0        | 2        |
| 85+                     | <u>0</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1</u> |
| Total:                  | 11       | 8        | 5        | 2        | 1        | 27       |
| Average Age:            | 62.0     | 69.8     | 69.2     | 56.3     | 71.4     | 65.6     |
| Average Retirement Age: | 53.3     | 60.3     | 61.8     | 51.5     | 67.7     | 57.4     |

Note: Excludes 32 retirees who have not elected medical coverage under the CalPERS Health Plan.

### Age/Service Distribution of All Benefit Eligible Employees\*

| Age                | Service  |          |             |          |          |          |          |          |          | Total    |
|--------------------|----------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9      | 10-14       | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 5        | 1        |             |          |          |          |          |          |          | 6        |
| 25-29              | 9        | 4        | 0           |          |          |          |          |          |          | 13       |
| 30-34              | 3        | 4        | 3           |          |          |          |          |          |          | 10       |
| 35-39              | 4        | 1        | 3           | 1        |          |          |          |          |          | 9        |
| 40-44              | 1        | 6        | 2           | 2        |          |          |          |          |          | 11       |
| 45-49              | 3        | 3        | 5           | 1        | 1        |          |          |          |          | 13       |
| 50-54              | 2        | 4        | 3           | 1        | 0        | 3        |          |          |          | 13       |
| 55-59              | 2        | 2        | 2           | 3        | 0        | 4        | 0        |          |          | 13       |
| 60-64              | 2        | 1        | 0           | 0        | 0        | 0        | 1        | 0        |          | 4        |
| 65-69              | 0        | 2        | 3           | 0        | 0        | 1        | 0        | 0        | 0        | 6        |
| 70+                | <u>0</u> | <u>0</u> | <u>0</u>    | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 31       | 28       | 21          | 8        | 1        | 8        | 1        | 0        | 0        | 98       |
| Average Age:       |          |          | 43.9        |          |          |          |          |          |          |          |
| Average Service:   |          |          | 9.9         |          |          |          |          |          |          |          |
| Estimated Payroll: |          |          | \$5,567,000 |          |          |          |          |          |          |          |

\* Counts exclude 1 Council Member that could be eligible for medical coverage if they retire from the City at the end of their term.

Age/Service Distribution of Eligible PEAR Employees

| Age                | Service  |             |          |          |          |          |          |          |          | Total    |
|--------------------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9         | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 4        |             |          |          |          |          |          |          |          | 4        |
| 25-29              | 6        | 3           |          |          |          |          |          |          |          | 9        |
| 30-34              | 2        | 3           |          |          |          |          |          |          |          | 5        |
| 35-39              | 2        | 0           | 3        | 1        |          |          |          |          |          | 6        |
| 40-44              | 0        | 3           | 1        | 2        |          |          |          |          |          | 6        |
| 45-49              | 1        | 0           | 2        | 0        |          |          |          |          |          | 3        |
| 50-54              | 0        | 2           | 0        | 0        | 0        | 1        |          |          |          | 3        |
| 55-59              | 1        | 0           | 0        | 1        | 0        | 2        |          |          |          | 4        |
| 60-64              | 0        | 0           | 0        | 0        | 0        | 0        | 0        |          |          | 0        |
| 65-69              | 0        | 0           | 0        | 0        | 0        | 0        | 0        | 0        |          | 0        |
| 70+                | <u>0</u> | <u>0</u>    | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 16       | 11          | 6        | 4        | 0        | 3        | 0        | 0        | 0        | 40       |
| Average Age:       |          | 37.5        |          |          |          |          |          |          |          |          |
| Average Service:   |          | 8.6         |          |          |          |          |          |          |          |          |
| Estimated Payroll: |          | \$2,333,000 |          |          |          |          |          |          |          |          |

Age/Service Distribution of Eligible RACE Employees

| Age                | Service  |             |          |          |          |          |          |          |          | Total    |
|--------------------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9         | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 1        |             |          |          |          |          |          |          |          | 1        |
| 25-29              | 1        | 1           |          |          |          |          |          |          |          | 2        |
| 30-34              | 1        | 0           | 1        |          |          |          |          |          |          | 2        |
| 35-39              | 1        | 1           | 0        |          |          |          |          |          |          | 2        |
| 40-44              | 1        | 1           | 1        | 0        |          |          |          |          |          | 3        |
| 45-49              | 1        | 2           | 1        | 1        |          |          |          |          |          | 5        |
| 50-54              | 1        | 1           | 1        | 0        | 0        | 1        |          |          |          | 4        |
| 55-59              | 1        | 2           | 2        | 1        | 0        | 0        | 0        |          |          | 6        |
| 60-64              | 2        | 0           | 0        | 0        | 0        | 0        | 1        | 0        |          | 3        |
| 65-69              | 0        | 0           | 1        | 0        | 0        | 1        | 0        | 0        | 0        | 2        |
| 70+                | <u>0</u> | <u>0</u>    | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 10       | 8           | 7        | 2        | 0        | 2        | 1        | 0        | 0        | 30       |
| Average Age:       |          | 48.2        |          |          |          |          |          |          |          |          |
| Average Service:   |          | 10.3        |          |          |          |          |          |          |          |          |
| Estimated Payroll: |          | \$1,222,000 |          |          |          |          |          |          |          |          |

Age/Service Distribution of Eligible Management Employees

| Age                | Service  |           |          |          |          |          |          |          |          | Total    |
|--------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9       | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 0        |           |          |          |          |          |          |          |          | 0        |
| 25-29              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 30-34              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 35-39              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 40-44              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 45-49              | 1        | 0         | 0        | 0        | 0        |          |          |          |          | 1        |
| 50-54              | 0        | 0         | 0        | 0        | 0        | 1        |          |          |          | 1        |
| 55-59              | 0        | 0         | 0        | 0        | 0        | 0        | 0        |          |          | 0        |
| 60-64              | 0        | 0         | 0        | 0        | 0        | 0        | 0        | 0        |          | 0        |
| 65-69              | 0        | 1         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1        |
| 70+                | <u>0</u> | <u>0</u>  | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 1        | 1         | 0        | 0        | 0        | 1        | 0        | 0        | 0        | 3        |
| Average Age:       |          | 54.8      |          |          |          |          |          |          |          |          |
| Average Service:   |          | 13.5      |          |          |          |          |          |          |          |          |
| Estimated Payroll: |          | \$427,000 |          |          |          |          |          |          |          |          |

Age/Service Distribution of Eligible Mid-Management Employees

| Age                | Service  |           |          |          |          |          |          |          |          | Total    |
|--------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9       | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 0        |           |          |          |          |          |          |          |          | 0        |
| 25-29              | 0        |           |          |          |          |          |          |          |          | 0        |
| 30-34              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 35-39              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 40-44              | 0        | 0         |          |          |          |          |          |          |          | 0        |
| 45-49              | 0        | 1         | 2        |          |          |          |          |          |          | 3        |
| 50-54              | 0        | 0         | 2        |          |          |          |          |          |          | 2        |
| 55-59              | 0        | 0         | 0        | 1        | 0        | 2        |          |          |          | 3        |
| 60-64              | 0        | 1         | 0        | 0        | 0        | 0        | 0        |          |          | 1        |
| 65-69              | 0        | 1         | 1        | 0        | 0        | 0        | 0        | 0        |          | 2        |
| 70+                | <u>0</u> | <u>0</u>  | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 0        | 3         | 5        | 1        | 0        | 2        | 0        | 0        | 0        | 11       |
| Average Age:       |          | 56.1      |          |          |          |          |          |          |          |          |
| Average Service:   |          | 14.8      |          |          |          |          |          |          |          |          |
| Estimated Payroll: |          | \$957,000 |          |          |          |          |          |          |          |          |

Age/Service Distribution of Confidential Employees

| Age                | Service  |           |          |          |          |          |          |          |          | Total    |
|--------------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                    | 0-4      | 5-9       | 10-14    | 15-19    | 20-24    | 25-29    | 30-34    | 35-39    | 40-44    |          |
| 20-24              | 0        | 1         |          |          |          |          |          |          |          | 1        |
| 25-29              | 2        | 0         | 0        |          |          |          |          |          |          | 2        |
| 30-34              | 0        | 1         | 2        |          |          |          |          |          |          | 3        |
| 35-39              | 1        | 0         | 0        |          |          |          |          |          |          | 1        |
| 40-44              | 0        | 2         | 0        | 0        |          |          |          |          |          | 2        |
| 45-49              | 0        | 0         | 0        | 0        | 1        |          |          |          |          | 1        |
| 50-54              | 1        | 1         | 0        | 1        | 0        |          |          |          |          | 3        |
| 55-59              | 0        | 0         | 0        | 0        | 0        | 0        |          |          |          | 0        |
| 60-64              | 0        | 0         | 0        | 0        | 0        | 0        | 0        |          |          | 0        |
| 65-69              | 0        | 0         | 1        | 0        | 0        | 0        | 0        | 0        |          | 1        |
| 70+                | <u>0</u> | <u>0</u>  | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total:             | 4        | 5         | 3        | 1        | 1        | 0        | 0        | 0        | 0        | 14       |
| Average Age:       |          | 41.3      |          |          |          |          |          |          |          |          |
| Average Service:   |          | 8.3       |          |          |          |          |          |          |          |          |
| Estimated Payroll: |          | \$628,000 |          |          |          |          |          |          |          |          |

## **SECTION VII. ACTUARIAL ASSUMPTIONS AND METHODS**

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Fiscal Year: July 1<sup>st</sup> to June 30<sup>th</sup>

Measurement Date: June 30, 2015

Fiscal Years Covered: FY2015/16 and FY2016/17

Discount Rate: 7.28% per annum. This discount rate assumes the City continues to fully fund for its retiree health benefits through the California Employers' Retiree Benefit Trust (CERBT) under its investment allocation strategy 1. The 7.28% reflects the CERBT published median interest rate for strategy 1 without any additional margin for adverse deviation.

Sensitivity analysis showing a 0.5% increase or decrease in the discount rate is also provided.

Inflation: 2.8% per annum

Payroll Increases: 3.0% per annum, in aggregate

Pre-retirement Turnover: According to the termination rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample rates for Miscellaneous employees are as follows:

| Service | Entry Age |        |        |        |
|---------|-----------|--------|--------|--------|
|         | 20        | 30     | 40     | 50     |
| 0       | 17.42%    | 16.06% | 14.68% | 13.32% |
| 5       | 8.68%     | 7.11%  | 5.54%  | 0.97%  |
| 10      | 6.68%     | 5.07%  | 0.71%  | 0.38%  |
| 15      | 5.03%     | 3.47%  | 0.23%  | 0.04%  |
| 20      | 3.70%     | 0.21%  | 0.05%  | 0.01%  |
| 25      | 2.29%     | 0.05%  | 0.01%  | 0.01%  |
| 30      | 0.05%     | 0.01%  | 0.01%  | 0.01%  |

Sample rates for Safety employees are as follows:

| Service | Entry Age |       |       |       |
|---------|-----------|-------|-------|-------|
|         | 20        | 30    | 40    | 50    |
| 0       | 10.1%     | 10.1% | 10.1% | 10.1% |
| 5       | 2.5%      | 2.5%  | 2.5%  | 0.9%  |
| 10      | 1.8%      | 1.8%  | 0.5%  | 0.5%  |
| 15      | 1.1%      | 1.1%  | 0.3%  | 0.3%  |
| 20      | 0.8%      | 0.2%  | 0.2%  | 0.2%  |
| 25      | 0.7%      | 0.1%  | 0.1%  | 0.1%  |
| 30      | 0.1%      | 0.1%  | 0.1%  | 0.1%  |

Pre-retirement Mortality: According to the pre-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample deaths per 1,000 employees applicable to employees are as follows:

| Age | Males | Females |
|-----|-------|---------|
| 25  | 0.4   | 0.2     |
| 30  | 0.5   | 0.3     |
| 35  | 0.6   | 0.4     |
| 40  | 0.8   | 0.5     |
| 45  | 1.1   | 0.7     |
| 50  | 1.6   | 1.0     |
| 55  | 2.3   | 1.4     |
| 60  | 3.1   | 1.8     |

*[The PERS mortality rates have been updated to reflect mortality improvements reported in the 2014 CalPERS Experience Study]*

Post-retirement Mortality: According to the post-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study. Sample deaths per 1,000 employees applicable to Miscellaneous and Safety retirees are as follows:

| Age | Males | Females |
|-----|-------|---------|
| 55  | 6.0   | 4.2     |
| 60  | 7.1   | 4.4     |
| 65  | 8.3   | 5.9     |
| 70  | 13.1  | 9.9     |
| 75  | 22.1  | 17.2    |
| 80  | 39.0  | 29.0    |
| 85  | 69.7  | 52.4    |
| 90  | 129.7 | 98.9    |

*[The PERS mortality rates have been updated to reflect mortality improvements reported in the 2014 CalPERS Experience Study]*

Retirement Age: According to the retirement rates under the most recent CalPERS pension plan experience study. According to the following retirement tables:

Miscellaneous Tier 1: 2.7% @ 55  
 Miscellaneous Tier 2: 2.0% @ 62  
 Safety Tier 1: 3.0% @ 55  
 Safety Tier 2: 2.7% @ 57

*[The PERS retirement rates have been updated to reflect the 2014 CalPERS Experience Study.]*

Participation Rates: Employees Currently Retired: Employees currently retired who have elected CalPERS medical coverage are assumed to continue coverage for their lifetime and the lifetime of their spouse if covered.

Future Retirees: 50% of future non-PEAR active employees are assumed to elect retiree health coverage at retirement. 100% of future PEAR retirees are assumed to elect retiree health coverage at retirement with 50% electing the \$250 reimbursement benefit over the CalPERS benefit.

Future New Entrants: None

**Spouse Coverage:** Of those electing coverage approximately 20% are assumed to elect coverage for their spouse. Male spouses are assumed to be 3 years older than female spouses.

**Claim Cost Development:** The valuation claim costs are based on the premiums paid for medical insurance coverage. The City participates in CalPERS, a community rated plan. Past valuations assumed the City was exempt from the valuation of any medical plan implicit rate subsidy. An implicit rate subsidy can exist when the non-Medicare rates for retirees are the same as for active employees. Since non-Medicare eligible retirees are typically much older than active employees, their actual medical costs are typically higher than for active employees. The current valuation contains an estimate of the implicit rate subsidy.

**Medical Trend Rates:** Medical costs are adjusted in future years by the following trends:

| Year  | PPO    | HMO    |
|-------|--------|--------|
| 2015  | Actual | Actual |
| 2016  | 7.0%   | 6.5%   |
| 2017  | 6.5%   | 6.0%   |
| 2018  | 6.0%   | 5.5%   |
| 2019  | 5.5%   | 5.0%   |
| 2020+ | 5.0%   | 5.0%   |

**Contribution Increase:** The CalPERS' minimum required employer contribution is assumed to increase each year as described below:

| Year  | Trend |
|-------|-------|
| 2017+ | 4.0%  |

**Actuarial Cost Method:** The actuarial cost method used to determine the allocation of the retiree health actuarial liability to the past (accrued), current and future periods is the Entry Age Normal (EAN) cost method. The EAN cost method is a projected benefit cost method which means the "cost" is based on the projected benefit expected to be paid at retirement.

The EAN normal cost equals the level annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. For plans unrelated to pay, the normal cost is calculated to remain level in dollars; for pay-related plans the normal cost is calculated to remain level as a percentage of pay. The EAN actuarial accrued liability equals the present value of all future benefits for retired and current employees and their beneficiaries less the portion expected to be funded by future normal costs.

All employees eligible as of the measurement date in accordance with the provisions of the Plan listed in the data provided by the City were included in the valuation.

**Actuarial Value of Assets:** Market value of assets plus contribution receivables for the Plan Years ending on or prior to the Measurement Date.

**Amortization of UAAL:** The unfunded actuarial accrued liability is being amortized over an initial 30 years using the level-percentage-of-pay method on a closed-basis. The remaining amortization period at June 30, 2015 is assumed to be 22 years.

## **SECTION VIII. ACTUARIAL CERTIFICATION**

This report summarizes the GASB actuarial valuation for the City of Ridgecrest (the "City") as of June 30, 2015. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statements No. 43 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and No. 45 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). The valuation is also based upon our understanding of the plan provisions as summarized within the report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information and asset information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate and other economic assumptions have been selected by the Plan Sponsor. Demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

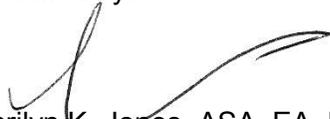
While some sensitivity analysis was provided in the report, we did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact me.

Certified by:



Marilyn K. Jones, ASA, EA, MAAA, FCA  
Consulting Actuary

Date: 8/28/2015

## **SECTION IX. DEFINITIONS**

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The definitions of the terms used in GASB actuarial valuations are noted below.

**Actuarial Liability (also referred to as Present Value of Future Benefits)** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

**Actuarial Accrued Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by the future Normal Costs.

**Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, turnover, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

**Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of future benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

**Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

**Annual OPEB Cost** – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

**Annual Required Contribution (ARC)** – The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.

**Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.

**Funded Ratio** – The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

**Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

**Implicit Rate Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.

**Net OPEB Obligation** – The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

**Normal Cost** – The portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

**Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

**Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.

**Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the healthcare trend rate assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed healthcare trend rate of 6.5% for year 20W0, 6.0% for 20W1, 5.5% for 20W2, then 5.0% for 20W3 and thereafter, then 6.5%, 6% and 5.5% are select rates, and 5% is the ultimate rate.

**Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan participant.

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

**SUBJECT:**

Ridgecrest Animal Shelter Solar Project ~ Land Lease Agreement and MOU

**PRESENTED BY:**

Ron Strand, Chief of Police

**SUMMARY:** The City of Ridgecrest, Wepco Inc. and the IWV Humane Society are working together to develop and install an approximate 37 kWAC photovoltaic solar system (Solar Project) at the Ridgecrest Animal Shelter.

Larry Trowsdale, the President of Wepco INC., has agreed to donate his services and receive no profit to manage the Solar Project. The cost of the project is estimated to be approximately \$75,000 in materials and associated costs. The IWV Humane Society has donated \$50,000 toward the project with the remaining \$25,000 coming from the City in Development Impact Fees which are included in this year's budget.

Last year (FY15), the Ridgecrest Animal Shelter's electricity costs to SCE were \$15,392 - a \$626 increase over the previous year. The Solar Project should save the City at least \$8,000 per year in electricity costs, if not more depending on demand charges. (There are additional improvements being made at the shelter this fiscal year which may have a direct reduction in demand charges – new doors and windows, replace HVAC system, replace heater and air conditioners in kennels, insulate attic and replace all lights with LED's.)

Wepco Inc. plans to build the Solar Project on a fenced portion of vacant land just to the west of the shelter, which is owned by the City (Attachment A). The land currently is not being used and there are no plans in the future to use this land as part of a new waste water treatment facility/plant.

Wepco Inc. is requesting to lease the land the Solar Project will be developed on for three years so the company can qualify for Federal Solar Income Tax Credits. Wepco Inc. will return to the City 85% of the income tax credit, or a maximum of \$25,000, to the City to be used for additional improvements at the shelter.

During the term of the contract, the city will reimburse Wepco Inc. for repairs and maintenance of the Solar Project. At the end of the contract term, the Solar Project will be turned over to the City and the land lease will end.

The City is requesting permission to enter into a Land Lease Agreement and an MOU with Wepco Inc. for the development of a Solar Project at the Ridgecrest Animal Shelter (Attachments B and C).

**FISCAL IMPACT:**

Expenditure of \$25,000 in Development Impact Fees currently in the FY16 budget.

Reviewed by Finance Director

**ACTION REQUESTED:**

Approval of Resolution

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

Submitted by: RON STRAND  
(Rev. 2-14-07)

Action Date: October 7, 2015

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**RESOLUTION NO. 15-XX**

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO A LAND LEASE AGREEMENT AND AN MOU WITH WEPKO INC. TO DEVELOP A SOLAR PROJECT AT THE RIDGECREST ANIMAL SHELTER.**

**WHEREAS**, the City of Ridgecrest and Wepco Inc. are working together to develop and install an approximate 37 kWAC photovoltaic solar system (Solar Project) at the Ridgecrest Animal Shelter located at 411 S. San Bernardino Blvd., and;

**WHEREAS**, Larry Trowsdale, the President of Wepco INC., has agreed to donate his services and receive no profit to manage the Solar Project, and;

**WHEREAS**, the cost of the project is estimated to be approximately \$75,000 in materials and associated costs, and;

**WHEREAS**, the IWW Humane Society has donated \$50,000 toward the project with the remaining \$25,000 coming from the City in Development Impact Fees which are included in this year's budget, and;

**WHEREAS**, Wepco Inc. plans to build the Solar Project on a fenced portion of vacant land just to the west of the shelter, which is owned by the City, and;

**WHEREAS**, Wepco Inc. is requesting to lease the land the Solar Project will be developed on for three years so the company can qualify for Federal Solar Income Tax Credits which Wepco Inc. will return 85% to the City, or a maximum of \$25,000, for additional improvements at the shelter, and;

**WHEREAS**, during the term of the contract, the city will reimburse Wepco Inc. for repairs and maintenance of the Solar Project, and;

**WHEREAS**, at the end of the contract term, the Solar Project will be turned over to the City and the land lease will end.

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest authorizes the City Manager, or his designee, to enter into a Land Lease Agreement and a MOU with Wepco Inc. to develop and install a Solar Project at the Ridgecrest Animal Shelter.

**APPROVED AND ADOPTED THIS** 7th day of October, 2015, by the following vote.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

\_\_\_\_\_  
Rachel J. Ford, CMC, City Clerk

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# Solar Project ~ Attachment A



All that portion of the southeast quarter of Section 2, Township 27 South, Range 40 East M.D.M., in the City of Ridgecrest, County of Kern, State of California, described as follows:  
Being the north 80 feet of the south 390 feet of the easterly 405 feet of the southeast quarter of the northeast quarter of Section 2, Township 27 South, Range 40 East, M.D.M. Excepting therefrom the easterly 305 feet of said southeast quarter.



- Legend**
- Parcels
  - Schools
  - Hospitals

Ridgecrest Animal Shelter  
Parcel #343-014-07

343-014-18

1:1,621



0.1 0 0.03 0.1 Miles

This map is a user generated static output from an internet mapping site and is for general reference only. The County of Kern assumes no liability for damages, incurred by the user of this information, which occur directly or indirectly as a result of errors, omissions or discrepancies in the information.

**Notes**

Add notes here

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**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**CITY OF RIDGECREST,**  
**AND**  
**WEPCO, INC.**

**THIS MEMORANDUM OF UNDERSTANDING** (“MOU”) is entered into as of \_\_\_\_\_, 2015, by and between the City of Ridgecrest (“City”), a public agency and municipality, and Wepco, Inc. (“Wepco”), a California Corporation with its principal office at 951 E. Skylark Avenue, Ridgecrest, California 93555 to install an approximate 37 kWAC PV solar facility for use by the Ridgecrest City Animal Shelter. Signatories to this MOU shall hereinafter be referred to individually as “Party” or collectively as “Parties.”

**RECITALS**

**Section 1. Purpose.**

**WHEREAS**, City owns a certain parcel of real property located at 411 S. San Bernardino Blvd., Ridgecrest, Kern County, California, as legally described on Exhibit “A” attached hereto and made a part hereof (“Property”);

**WHEREAS**, City currently operates an animal shelter on the Property;

**WHEREAS**, Wepco, a California Corporation engaged in the business of constructing, installing, and operating solar systems, seeks to install solar panels on the Property;

**WHEREAS**, on October \_\_\_\_\_, 2015, Wepco entered into a land lease agreement with City whereby Wepco leased the Property from City for the sole purpose of procuring, constructing, installing, maintaining, repairing and operating an approximate 37 kWAC PV solar plant (Solar Project) and uses incidental thereto;

**WHEREAS**, the Solar Project is scheduled to commence in November 2015 and to be completed by March 2016;

**WHEREAS**, the Parties agree that City and Wepco will provide a total of \$75,000 to meet the projected costs of the Solar Project, and Wepco shall receive no profit for its work on the Solar Project;

**WHEREAS**, the Parties seek to develop a mutually agreeable innovative arrangement for the purposes of financing the Solar Project;

**NOW, THEREFORE**, in consideration of the mutual benefits to be derived by the Parties, and of the promises contained in this MOU, the Parties hereby agree as follows:

## **AGREEMENT**

### **Section 2. Agreement.**

#### 2.1. City's Role and Responsibilities.

City agrees to:

2.1.1 Provide up to \$25,000 to Wepco to meet the projected costs of the Solar Project;

2.1.2 City will reimburse Wepco for actual maintenance and repair costs of the Solar Project during the term of the agreement.

#### 2.2 Wepco's Role and Responsibilities.

Wepco agrees to:

2.2.1 Build, own, operate and maintain the Solar Project for the Term (hereinafter defined), during which Wepco will receive federal tax credits in the amount of thirty percent (30%) of the total cost from the Investment Tax Credit ("ITC").

2.2.2 Reimburse eighty-five percent of the federal tax credits received by Wepco to City upon receiving said tax credits up to a limit of \$25,000;

2.2.3 Provide all engineering, procurement, and construction services for the Solar Project at no cost to City, and shall construct the Solar Project pursuant to all labor compliance laws of the State of California;

2.2.4 Manage \$50,000 in funding toward the construction project which was donated by the IWV Humane Society;

2.2.4 Select and contract all materials and service providers with City approval;

2.2.5 Deliver the Solar project to the City project ownership upon completion of the Term (hereinafter defined);

2.2.6 Provide electricity to City from solar panels installed in the Solar Project at no cost for the Term;

2.2.7 Not interfere with existing business operations of City;

**Section 3. Term.**

3.1 The term of this MOU shall be for three (3) years, commencing when executed by all Parties. At end of term, Wepco will relinquish all ownership interests including the Ground Lease to the City.

**Section 4. Indemnification.**

4.1 Each Party shall indemnify, defend and hold harmless, each other Party, including their elected and appointed officers, agents and employees, from and against any and all liability, including, but not limited to, demand for damages, claims, actions, fees, costs and expenses arising from, or connected with, that Party's acts or omissions under this agreement, provided, however, that no Party shall indemnify another Party for that Party's own negligence or willful misconduct.

4.2 Wepco shall have no liability pertaining to the Solar Project or the Property after the expiration or termination of this MOU, except for liability arising from any affirmative acts or omissions taken by Wepco after the MOU's expiration and/or termination. City shall indemnify Wepco for any liability imposed on Wepco after the expiration or termination of the MOU, except for any affirmative acts or omissions taken by Wepco after the MOU's expiration and/or termination.

**Section 5. Notices.**

5.1 Notices desired or required to be given under this agreement, or any law now or hereafter in effect, shall be given by personal delivery or by enclosing the same in a sealed envelope addressed to the Party for whom intended, and by deposition of such envelope with postage prepaid in the United States Post Office, or any substation thereof, or any public box, and any such notice and the envelope containing the same, shall be addressed to the following representative of the Parties, except that any Party may change the address for notices by giving the other Party at least ten (10) days written notice of the new address

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

Wepco: Wepco, Inc.  
951 E. Skylark Avenue  
Ridgecrest, CA 93555

## **Section 6. General Provisions.**

6.1 Governing Law. This Agreement shall be construed in accordance with, and governed by the laws of the State of California.

6.2 Amendment. No variation of, modification, change or amendment of this MOU shall be binding upon any Party unless such variation, modification, change or amendment is in writing and duly authorized and executed by all Parties. This MOU shall not be amended or modified by oral agreements or understanding among the Parties, or by any acts or conduct of the Parties.

6.3 Entire Agreement. This MOU constitutes the entire agreement between the Parties with respect to the subject matter of this MOU, and supersedes all prior and contemporaneous agreements and understandings.

6.4 No Third Party Beneficiary/Successors and Assigns. No third-party beneficiary/successors and assigns. This MOU is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this MOU.

6.5 Waiver. No waiver of any breach or default by any party shall constitute a waiver of any other breach or default, nor shall any such waiver constitute a continuing waiver. Failure of any party to enforce at any time or from time to time, any provision of this MOU shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

6.6 Interpretation. The Parties have been represented by counsel in the preparation and negotiation of this MOU. Accordingly, this MOU shall be construed according to its fair language and any ambiguities shall not be resolved against the drafting Party.

6.7 Assignment. No Party shall assign this MOU, or any of such Party's interest, rights, or obligations under this MOU, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except that any Party may assign the MOU, or any part thereof, to any successor governmental agency performing the functions of the assigning Party as its successor.

6.8 Negation of partnership. Nothing in this MOU shall be construed to render the parties in any way or for any purpose partners, joint venturers or associates, nor shall this MOU be construed to authorize either Party to act as agent for the other Party, unless expressly provided in this MOU.

6.9 Savings clause. If any provision or provisions of this MOU are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the Parties that the remainder shall subsist, be, and remain in full force and effect.

6.10 Attorney's Fees and Costs. In the event of litigation arising out of or relating to this MOU, the prevailing Party shall be entitled to its court costs, and the reasonable fees,

expenses, and costs of and associated with such prevailing Party's attorneys, experts, and other professionals.

6.11 Authority to enter into agreement. The individual(s) executing this MOU attest, warrant, and represent that they are duly authorized to execute this MOU on behalf of their respective agency.

6.14 Force Majeure. For purposes of this MOU, a "Force Majeure" is any occurrence beyond the control of the parties that cause one of the parties to be unable to perform its obligations under this MOU despite its good faith efforts to fulfill the obligations. If either or both of the parties is rendered wholly or partly unable to perform its obligations under this MOU because of a Force Majeure, then that party shall give prompt written notice of the Force Majeure to the other party, and the affected party's performance shall be suspended for the duration of such Force Majeure to the extent such performance is affected by the Force Majeure, but no longer than is required. The party or parties affected by Force Majeure shall use good faith efforts to remedy its inability to perform and to mitigate the effects of the Force Majeure, and shall give prompt written notice to the other party once it is able to resume performance.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed on the above written date.

City of Ridgecrest

Wepco, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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## LAND LEASE AGREEMENT

This Land Lease Agreement (the "Agreement") is entered into as of October \_\_\_\_, 2015, by and between City of Ridgecrest, a public agency and municipality ("LESSOR"), and Wepco, Inc., a California Corporation with its principal office at 951 E. Skylark Avenue, Ridgecrest, California 93555 ("LESSEE"). LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

1. **PREMISES.** LESSOR hereby leases to LESSEE a certain parcel of property located at 411 San Bernardino Boulevard, Ridgecrest, Kern County, California.

2. **TERM.** This Agreement shall be commence as of the date first above written and continue for a term of three (3) years. In consideration thereof, LESSEE shall install an approximate 37 kWAC PV Solar Plant on the Property, but west of the Ridgecrest Animal Shelter ("SHELTER"), which is located at 411 San Bernardino Boulevard, Ridgecrest, California, as legally described on Exhibit "A" attached hereto and made a part hereof.

3. **USE.** LESSEE shall use the Premises for the sole purpose of procuring, constructing, installing, maintaining, repairing, and operating a 37 kWAC PV solar plant ("Solar Project") and uses incidental thereto. All improvements, equipment, and materials shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, and/or materials or any portion thereof during the Term.

LESSEE shall not modify any real or personal property related to the SHELTER and shall not interfere with or interrupt the ongoing business of the existing SHELTER.

LESSEE shall, upon completion of construction of the Solar Project on the Premises, restore any portions of the Property affected during LESSEE's construction to its original condition, reasonable wear and tear excepted. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively, the "Governmental Approvals") that may be required by any Federal, State or Local authorities that will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE.

4. **FIXTURES AT END OF TERM.** LESSEE agrees and acknowledges that all of the equipment, improvements, materials, and fixtures related to the Solar Project shall become the personal property of LESSOR, and LESSEE shall not have the right to remove the same at any time during or at the end of the Term.

5. **TAXES.** City will pay any increase in taxes resulting from the installation or operation of the Solar Project.

ShelterSolar.Lease

6. **INDEMNIFICATION.** Subject to Paragraph 7 below, LESSEE agrees to indemnify, defend and hold harmless LESSOR and its directors, officers, employees, agents and representatives (“Indemnitees”) from any and all demands, damages, claims, causes of action, actions, judgments, losses or liabilities, costs and expenses (including reasonable outside attorney and expert costs and fees), regardless of the merit or outcome of any such claim or suit, for death or personal injuries, damages or losses to any person or persons or property suffered or sustained by anyone in, on, or about the Property or any part thereof, or any improvements thereon, including any environmental damages (see Paragraph 24), to the extent caused by LESSEE’s activities on the Premises or with the use of the Premises by LESSEE, its agents, employees and contractors, or the construction of any improvements, except as caused by the negligence or willful misconduct of LESSOR.

7. **INSURANCE.** From the date of execution of this Agreement, LESSEE shall keep or cause to be kept in force the Commercial General Liability Insurance, including contractual liability with a combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage. LESSOR shall be included as an additional insured as their interest may appear. LESSEE shall provide LESSOR a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date.

8. **HOLDOVER.** LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of lease Term.

9. **QUIET ENJOYMENT.** LESSOR covenants that LESSEE, on performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

10. **TITLE.** LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

11. **INTEGRATION.** It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties.

12. **VALIDITY.** In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement.

13. **WAIVER**. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

14. **GOVERNING LAW**. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of California. Any litigation or other legal proceedings which arise under or in connection with this Agreement shall be conducted in a federal or state court located in or for Kern County, California. The Parties consent to the personal jurisdiction and venue in federal or state court located in or for the Kern County, California, and hereby waive any defenses or objections thereto including defenses based on the doctrine of forum non conveniens.

15. **ASSIGNMENT**. This Agreement may not be sold, assigned or transferred without the written consent of the LESSOR.

16. **NOTICES**. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: City of Ridgecrest  
ATTN: Dennis Speer, City Manager  
100 W. California Ave.  
Ridgecrest, California 93555

LESSEE: Wepco, Inc.  
ATTN: Larry Trowsdale  
951 E. Skylark Avenue  
Ridgecrest, California 93555

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

17. **SUCCESSORS**. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

18. **RECORDING**. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

19. **DEFAULT**.

a. In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph.

b. In the event there is a breach by LESSOR with respect to any of the provisions of this Agreement or its obligations under it, LESSEE shall give LESSOR written notice of such breach. After receipt of such written notice, LESSOR shall have thirty (30) days in which to cure any such breach, provided LESSOR shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSOR commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSEE may not maintain any action or effect any remedies for default against LESSOR unless and until LESSOR has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business on the Property; provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

20. **REMEDIES.** Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, LESSOR shall use reasonable efforts to mitigate its damages in connection with a default by LESSEE. If LESSEE so performs any of LESSOR's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by LESSEE shall immediately be owing by LESSOR to LESSEE, and LESSOR shall pay to LESSEE upon demand the full undisputed amount thereof with interest thereon from the date of payment at the greater of (i) ten percent (10%) per annum, or (ii) the highest rate permitted by applicable Laws. Notwithstanding the foregoing, if LESSOR does not pay LESSEE

the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from LESSOR, LESSEE may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to LESSOR until the full undisputed amount, including all accrued interest, is fully reimbursed to LESSEE.

21. **ENVIRONMENTAL.** LESSOR warrants and agrees that neither LESSOR nor, to LESSOR's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material (as defined below) on, under, about or within LESSOR's Property in violation of any law or regulation. LESSOR and LESSEE each agree that they will not use, generate, store or dispose of any Hazardous Material on, under, about or within LESSOR's Property in violation of any law or regulation. LESSOR and LESSEE each agree to defend and indemnify the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims, judgments, damages, penalties, fines, and/or costs (including reasonable attorneys' fees and costs) arising from any breach of any warranty or agreement contained in this paragraph. "Hazardous Material" shall mean any substance, chemical or waste identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (including petroleum and asbestos).

22. **SUBMISSION OF AGREEMENT.** The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties.

23. **AUTHORITY.** Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

24. **APPLICABLE LAWS.** During the Term, LESSOR shall maintain the Property in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises (other than general office use); and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises.

25. **SURVIVAL.** The provisions of the Agreement relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

26. **CAPTIONS.** The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

**LESSOR:**

**LESSEE:**

City of Ridgecrest

Wepco, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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

**SUBJECT:**

A RESOLUTION OF THE RIDGECREST CITY COUNCIL AMENDING RESOLUTION NO. 15-77 AUTHORIZING USE OF TAX ALLOCATION BOND (TAB) FUNDS ALLOCATED FOR CONSTRUCTION OF THE CONCESSION STAND

**PRESENTED BY:**

Jason Patin, Recreation Supervisor

**SUMMARY:**

On August 19, 2015, Council passed Resolution No. 15-77 awarding construction contract to JTS for reconstruction of a concession stand previously destroyed in a fire at the Kerr McGee Sports Complex.

At the time, funding proposal for the project was a combination of Insurance reimbursement and Parks & Recreation Impact Fees, however upon further review by staff it was determined this would deplete the Impact Fees fund to a level that could prohibit use in the event an unforeseen emergency arose in the near future.

Previous Councils have allocated funding from the Tax Allocation Bonds (TAB) that this project would qualify for; therefore the use of these funds would complete the project and preserve impact fees for future use.

Funding proposal is as follows:

|                           |  |
|---------------------------|--|
| Insurance Reimbursement   | \$ 152,727.00  |
| Tax Allocation Bond Funds | \$ 195,773.00  |
| <br>                      |  |
| Total Project Cost        | <p>Staff request is to amend Resolution No. 15-77 to use Tax Allocation Bond (TAB) funding rather than Parks &amp; Recreation Impact Fees to fund this project</p> |

**FISCAL IMPACT:**

\$152,727.00 insurance reimbursement and \$195,773.00 TAB funds

Reviewed by Finance Director

**ACTION REQUESTED:**

Adopt an amended Resolution No. 15-77

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

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**RESOLUTION NO. 15-77 (Amended)**

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL AMENDING  
RESOLUTION NO. 15-77 AUTHORIZING USE OF TAX ALLOCATION  
BOND (TAB) FUNDS ALLOCATED FOR CONSTRUCTION OF THE  
CONCESSION STAND**

**WHEREAS**, Council approved Resolution No. 15-77 on August 19, 2015 authorizing the expenditure of Parks & Recreation impact fees combined with insurance reimbursement to fund reconstruction of a concession stand previously destroyed by fire; and

**WHEREAS**, Staff has reviewed the Parks & Recreation Impact Fees and determined that use of these fees would deplete the fund to a level that would restrict the ability to fund unforeseen emergencies, and

**WHEREAS**, Parks and Recreation was allocated certain Tax Allocation Bond (TAB) funds for use on Park improvements, and

**WHEREAS**, it was determined that Insurance Reimbursement funds combined with Tax Allocation Bond (TAB) funds are available to complete the project.

**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest hereby:

1. Adopts an amended Resolution No. 15-77 Awarding a Contract in the amount of \$384,500 to JTS for construction for the Concession Stand located at the Kerr McGee Sports Complex and authorizing the City Manager, Dennis Speer, to sign the agreement.
2. Authorizes expenditures from Insurance Reimbursement in the amount of \$152,727.00 and Tax Allocation Bond (TAB) in the amount of \$195,773.00 to fund the project.

**APPROVED AND ADOPTED** this 7<sup>th</sup> day of October, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Peggy Breeden, Mayor

ATTEST:

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Rachel J. Ford, CMC, City Clerk

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RESOLUTION NO. 15-77

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL FOR AUTHORIZATION TO AWARD A CONSTRUCTION CONTRACT TO JTS CONSTRUCTION FOR THE CONSTRUCTION OF A CONCESSION STAND AT THE KERR MCGEE SPORTS COMPLEX AND FOR THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE CONTRACT**

**WHEREAS**, the concession stand located at 1175 S Downs Street (Kerr McGee Sports Complex) burned as an act of vandalism on July 14, 2013; and

**WHEREAS**, the City of Ridgecrest is self-insured and carries excess insurance coverage policies thru CSAC Excess Insurance Authority which reimbursed the City for replacement cost; and

**WHEREAS**, on Wednesday July 22, 2015 bids were opened for the Kerr McGee Sports Complex Concession Stand construction project, and

**WHEREAS**, a total of one bid was received and the result of the lowest bidder is as follows:

| <u>Bidder</u> | <u>Bid Amount</u> |
|---------------|-------------------|
| JTS           | \$348,500.00      |

**WHEREAS**, the bid was reviewed by the Consultant, Greg Hauser with HLA Engineers, Inc., for a determination of the lowest responsible and responsive bidder; and

**WHEREAS**, the programmed amount of funding for construction on the project was \$309,405.30; and

**WHEREAS**, it was determined that Insurance Reimbursement funds combined with Impact Fees are available to complete the project; and

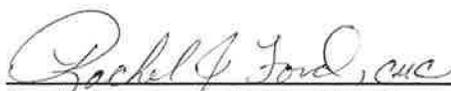
**NOW THEREFORE, BE IT RESOLVED** that the City Council of the City of Ridgecrest hereby adopts A Resolution Awarding a Contract for construction for the Concession Stand located at the Kerr McGee Sports Complex and authorizing the City Manager, Dennis Speer, to sign the agreement.

**APPROVED AND ADOPTED** this 19<sup>th</sup> day of August 2015 by the following vote:

AYES: Mayor Breeden, Council Members Sanders, Acton, Thomas, and Mower  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

  
\_\_\_\_\_  
Rachel J. Ford, CMC, City Clerk

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

**SUBJECT:**

A Resolution Of The Ridgecrest City Council Announcing Proclamations Prepared For The Month Of October And Scheduled Date Of Presentation

**PRESENTED BY:**

Rachel J. Ford, City Clerk

**SUMMARY:**

The Ridgecrest City Council receives requests for presentation of ceremonial proclamations for various events and observations.

Michelle Smith and Carrie Clark, Co-founders of the California Healthy Workplace Advocates have requested a proclamation annually supporting *Freedom From Workplace Bullying Week*, the week of October 18-24, 2015. The purpose of this recognition is to raise public awareness about this critical issue.

The Resolution presented authorizes a proclamation recognizing the week of October 18-24, 2015 as *Freedom From Workplace Bullying Week* and authorizes the City Clerk to Mail the proclamation to the requestors.

**FISCAL IMPACT:** None

Reviewed by Administrative Services Director

**ACTION REQUESTED:**

Adopt resolution

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

Submitted by:

Rachel J. Ford

Action Date: October 7, 2015

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**RESOLUTION NO. 15-xx**

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL ANNOUNCING  
A PROCLAMATION PREPARED FOR THE MONTH OF OCTOBER  
2015 AND AUTHORIZING THE CITY CLERK TO MAIL THE  
PROCLAMATION TO THE REQUESTOR**

**WHEREAS**, The Ridgecrest City Council receives requests for presentation of ceremonial proclamations for various event and observations, and;

**WHEREAS**, the following proclamation has been processed:

**Proclamation Titles**

1. *Freedom From Workplace Bullies Week – October 18-24, 2015*

**NOW THEREFORE BE IT RESOLVED** the City Council of the City of Ridgecrest authorizes:

1. A proclamation recognizing October 18-24, 2015 as Freedom From Workplace Bullies Week, and
2. The City Clerk is authorized to mail the formal proclamation to the requestors.

**APPROVED AND ADOPTED THIS** 7<sup>th</sup> day of October 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

\_\_\_\_\_  
Rachel J. Ford, CMC  
City Clerk

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# **A Proclamation of The City Of Ridgecrest, California**

**Freedom From Workplace Bullying Week  
October 18-24, 2015**

**WHEREAS**, the City of Ridgecrest has an interest in promoting the social and economic well-being of its citizens, employees and employers; and

**WHEREAS**, that well-being depends upon the existence of healthy and productive employees working in safe and abuse-free work environments; and

**WHEREAS**, research has documented the stress-related health consequences for individuals caused by exposure to abusive work environments; and

**WHEREAS**, abusive work environments are costly for employers, with consequences including reduced productivity, absenteeism, turnover, absenteeism and injuries; and

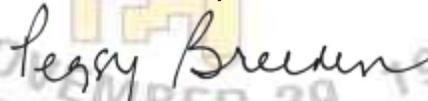
**WHEREAS**, protection from abusive work environments should apply to every worker, and not be limited to legally protected class status based only on race, color, gender, national origin, age, or disability.

**NOW, THEREFORE**, the City Council of the City of Ridgecrest do hereby proclaim October 18 - 24, 2015 as

## **FREEDOM FROM WORKPLACE BULLIES WEEK**

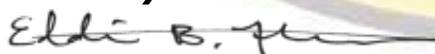
and commends the California Healthy Workplace Advocates and the Workplace Bullying Institute, which raise awareness of the impacts of, and solutions for, workplace bullying in the U.S.; and encourages all citizens to recognize this special observance.

**IN WITNESS WHEREOF**, We have hereunto set our hand and caused the seal of the City of Ridgecrest to be affixed this 7<sup>th</sup> day of October 2015.

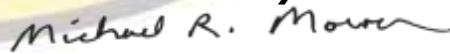
  
**Peggy Breeden, Mayor**

  
**James Sanders  
Mayor Pro Tem**

  
**Lori Acton  
Vice Mayor**



**Eddie B. Thomas  
Council Member**



**Mike Mower  
Council Member**

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# A WEEK FOR SUPPORT, INSPIRATION, PEACE & HEALTH



## FREEDOM

FROM WORKPLACE BULLIES

WEEK OCT 18-24, 2015

WORKPLACEBULLYING.ORG

Bullying is a systematic campaign of interpersonal destruction that jeopardizes employee health, shatters careers, and strains families.

Bullying is non-physical, non-lethal workplace violence. It is abusive, causing psychological injuries and stress-related diseases.

It is costly to businesses.  
Bullies are too expensive to keep.

The destructive power of workplace bullying comes from secrecy.

The Workplace Bullying Institute celebrates its 7th annual  
FREEDOM FROM WORKPLACE  
BULLIES WEEK.

The week is a chance to break through the silence and secrecy. It is a week to be daring and bold. To take courageous action. To do the right thing.

Everyone deserves a safe, healthy, and dignified workplace.

Find advice, tips and activities at [freedomfrombullies.org](http://freedomfrombullies.org) for:

WORKPLACE  
**BULLYING**  
INSTITUTE™

- Employers
- Family
- Coworkers
- Friends
- Unions
- Mental Health Professionals
- School Administrators
- Public Policy Makers
- Community Leaders
- Medical Professionals

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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 September 16, 2015

**PRESENTED BY:**

Rachel J. Ford, City Clerk

**SUMMARY:**

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of September 16, 2015

**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**

**September 16, 2015  
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 – 5:30 p.m.**

**ROLL CALL**

Council Present: Mayor Peggy Breeden; Council Members Eddie B. Thomas, and Mike Mower

Council Absent: Mayor Pro Tempore James Sanders and Vice Mayor Lori Acton

Staff Present: City Manager Dennis Speer; City Clerk Rachel J. Ford; City Attorney Keith Lemieux (via Teleconference), and other staff

**APPROVAL OF AGENDA**

[ADDED TO CLOSED SESSION:](#)

GC 54956.9(b)(1) Conference With Legal Counsel – Existing Litigation – MPB Furniture LLC v. City of Ridgecrest

*Motion To Approve Addition Of Closed Session Item As A Need Arose Item And Approve Agenda As Amended Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Thomas, And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Acton).*

**PUBLIC COMMENT (Closed Session)**

- None Presented

## CLOSED SESSION

- GC 54956.9(b)(1) Conference With Legal Counsel – Existing Litigation – Public Disclosure Of Litigant Would Prejudice The City Of Ridgecrest And Would Jeopardize Its Ability To Conclude Existing Settlement Negotiations To Its Advantage.

### Added Prior To Approval Of Agenda

- GC 54956.9(b)(1) Conference With Legal Counsel – Existing Litigation – MPB Furniture LLC v. City of Ridgecrest

## REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation – moment of silence

## CITY ATTORNEY REPORT

- Closed Session
  - Kern County Superintendent Of Schools – report received – no reportable action
  - Ashley Furniture (MPB Furniture LLC) – report received – no reportable action however may have something at future agenda
- Other
  - none

## PRESENTATIONS

1. **Presentation Of Employee Service Awards** **Council**
- Mayor and Council Members presented certificates of appreciation to recipient employees who have reached major milestones with the City of Ridgecrest.

## PUBLIC COMMENT (*Regular Session*)

Christina Witt

- Commented on stop sign removal at Silver Ridge and concerns about Gateway School nearby and left turn traffic. Requested the sign stay in place for safety.
- Remembering the Fallen was a huge success and thanked the City for use of facilities and support of the Council. Many people from the surrounding area came to see the monument and left notes and mementos. Have reserved for next year at the same time and pleads with Council for use of the facilities again. Organization commented Ridgecrest was the most welcoming and generous community they have visited.

David Milam

- Measure ‘L’ meeting topic, Mr. Robert Gould should be recognized and praised for his commitment to Law Enforcement. Will be 81 years old on November 9 and is a volunteer in uniform supporting the Ridgecrest Police Department and community.

## COUNCIL ANNOUNCEMENTS

Eddie Thomas

- Announced the Veteran’s Advisory Committee will be hosting an event for veterans on September 25 with Madam Mayor as the guest speaker.

Peggy Breeden

- Showed a short video of Mr. Vignall, Burroughs High School Counselor, speaking on behalf of RIDGEPROJECT. When Gary Charlon sent this to me I thought ‘Oh My Gosh, he’s in our schools’ but made me think about it. Need to make our city look better.
- 23<sup>rd</sup> of this month the Board Of Trade will be meeting in Ridgecrest, at the Marriott hotel. Invited community to attend. Will announce more when the schedule is available. Would appreciate fellow council attending.

## CONSENT CALENDAR

2. Adopt A Resolution Of The Ridgecrest City Council Approving Contract Change Order Number One For A Zero Dollar Value With The Contractor, Super Seal & Stripe, Inc., On The Highway Safety Improvement Program Cycle Five Signing And Striping For Twelve Intersections And Authorize The City Manager, Dennis Speer To Sign Change Order Number One Speer
3. Adopt A Resolution Of The Ridgecrest City Council Rescinding Resolution No 15-64 And Amending And Approving A Transit Policy Mandated By The Federal Transportation Administration (FTA) For Service Criteria For Complementary Paratransit Speer
4. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated August 19, 2015 Ford
5. Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated September 2, 2015 Ford

Items Removed From Consent Calendar

- None

*Motion To Approve Consent Calendar Item Nos. 2, 3, 4, And 5 Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Thomas, And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Acton).*

**DISCUSSION AND OTHER ACTION ITEMS**

- 6. Discussion And Adopt A Resolution Of The Ridgecrest City Council Supporting The Military Banner Program As A Signature Event Of The City And Authorizing Special Event Insurance Coverage Breeden**

Dennis Speer

- Presented staff report

Peggy Breeden

- Many volunteers are ready to work on the banner program

Public Comment

Randy Broden

- American legion riders are willing to work on this project, questioned coverage.
- If approved Legion Riders would like to take this project on.

Michael Cash

- CEO of operation Family for severely wounded veterans. Have been working with the Legion Riders on this project and will join them in providing financial assistance as needed.
- Questioned coverage regarding equipment

*Motion To Approve Item No. 6 Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Thomas, And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Acton).*

- 7. Discussion And Adopt A Resolution Of The Ridgecrest City Council Supporting The 2015 USO Event As A Signature Event Of The City And Authorizing Special Event Insurance Coverage Breeden**

Peggy Breeden

- Presented staff report

Item No. 7 *(continued)*

Justin O'Neill

- Presented a PowerPoint update of the USO Event project.

Eddie Thomas

- Questioned potential 3<sup>rd</sup> band
  - Justin O'Neill – have calls out to several bands and discussing with current bands to have fuller sets.

Tina Warren

- Chamber is eager to work with Justin, City and Historical society to make this event successful. Waiting on tonight's decision to file proper permitting.
  - Peggy Breeden – looking forward to working with Chamber because they have contributed substantial time and funding for this event and our insurance will make this happen.

Eddie Thomas

- Asked if the insurance covers the entire event or shared with the USO.
  - Dennis Speer – we are covering this event entirely.
  - Peggy Breeden – there are other events occurring on connecting days and they are being covered by their insurance. Our insurance will only cover Saturday.

*Motion To Approve Item No. 7 Made By Council Member Mower, Second By Council Member Thomas. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Thomas, And Mower); 0 Noes; 0 Abstain; And 2 Absent (Council Member Sanders And Acton).*

## **COMMITTEE REPORTS**

*(Committee Meeting dates are subject to change and will be announced on the City website)*

### **City Organization and Services Committee**

Members: Lori Acton; Mike Mower  
Meeting: 4<sup>th</sup> Wednesday each month at 5:00 p.m. as needed  
Location: Council Conference Room B

Mike Mower

- Meeting next Wednesday, hopefully discussing permit process with the County. Working to get County to attend and give presentation.

Peggy Breeden

- Questioned City Attorney, with two Council Members on committee can a third show up and listen providing they do not speak.
  - Keith Lemieux - correct

**Infrastructure Committee**

Members: Jim Sanders; Mike Mower  
Meeting: 3rd Thursday each month at 5:00 p.m. as needed  
Location: Council Conference Room B

Mike Mower

- Meeting tomorrow night, have asked Mayor Breeden to attend in my place.

Peggy Breeden

- Asked staff that works on the agenda for this committee would like to be briefed about the items on the agenda.

❖ **Ad Hoc Water Conservation Committee**

Members: Jim Sanders; Peggy Breeden  
Meeting: 1<sup>st</sup> Monday each month at 5:00 p.m. as needed  
Location: Conference Room B

Peggy Breeden

- Announced next meeting

**Parks, Recreation, and Quality of Life Committee**

Members: Eddie Thomas; Lori Acton  
Meeting: 1<sup>st</sup> Tuesday each month at 12:00 p.m. as needed  
Location: Kerr-McGee Center Meeting Rooms

Eddie Thomas

- No agenda items.

❖ **Ad Hoc Youth Advisory Council**

Members: Eddie Thomas  
Meeting: 2<sup>nd</sup> Wednesday of each month, 12:00 p.m. as needed  
Location: Kerr-McGee Center Meeting Rooms

Eddie Thomas

- Met and discussed getting students engaged and types of involvement. Inducted new officers. Discussed ideas and what they want to accomplish. Next meeting Wednesday, September 30.

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

Members: Eddie Thomas; Lori Acton  
Meeting: Quarterly on the 3<sup>rd</sup> Tuesday at 4:00 p.m. as needed  
Location: Kerr McGee Center Meeting Rooms

Eddie Thomas

- Meeting quarterly, next meeting in December.

**Ridgecrest Area Convention And Visitors Bureau (RACVB)**

Members: Lori Acton and Eddie Thomas  
Meetings: 1<sup>st</sup> Wednesday Of The Month, 8:00 A.M.  
Next Meeting: To Be Announced

Eddie Thomas

- Next meeting in October

**OTHER COMMITTEES, BOARDS, OR COMMISSIONS**

Peggy Breeden

- Questions with CalTrans and how they deal with input on building the art for the medians. Ridgecrest and China Lake Blvd median art project issue with relation to sign visibility
- Emanuel Christian Church 40<sup>th</sup> anniversary celebration this Friday at 5:00 p.m.
- East kern air pollution control district meeting in Ridgecrest on October 12. Encouraged everyone to participate. Quality of life in east Kern is significantly different than in West Kern. Solar entity going in at California City so much discussion and appears to be going quite well.
- Mr. Mower and I asked for a review of budget for September and municipal code on how the city operates. Either as discussion item or in a workshop. Would like to know the Mayor and council responsibilities and how things happen with respect to budget and other operations.
  - Keith – will assist City Manager on municipals code analysis
- Requested TAB review.
- Young man wrote me a wonderful letter and I have misplaced it. Please call me at (760) 382-3563

**CITY MANAGER REPORT**

Dennis Speer

- TAC was dark so there was no Transportation Advisory Committee meeting.
- Comment on removal of stop sign, traffic study has been completed. Will be leaving a clear sight distance for the intersection. The stop sign was never put in according to code so must follow the code.

**MAYOR AND COUNCIL COMMENTS**

Mike Mower

- Commented on progress of median construction on China Lake Blvd.
- Headed to Chicago for 4 days.

Eddie Thomas

- Caltrans is striping China Lake Blvd. so getting closer to completion. Think this is going to look really good and will enjoy the beauty and attracting people to our great city.
- People still don't believe Walmart is coming, looking forward to the ground breaking in October.
- Thanked family for attending.

Peggy Breeden

- Maturango Museum auction Saturday night and invited everyone to attend.
- Those who no longer drive China Lake Blvd. are invited back and encouraged to support the businesses.

**ADJOURNMENT at 6:57 p.m.**

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Rachel J. Ford, CMC  
City Clerk

**10**

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

**SUBJECT:**

Appointment to the Measure 'L' Citizens Advisory Committee

**PRESENTED BY:**

Rachel J. Ford – City Clerk

**SUMMARY:**

Measure 'L', a ¾ cent sales tax increase, was approved by voters on June 5<sup>th</sup>, 2012. When the item was placed on the ballot, the City Council opted to create an advisory body to focus specifically on the corresponding revenues as a safeguard to ensure the appropriate expenditures of the funds. The ordinance specifies term limits for committee members. An excerpt from the ordinance reads as follows:

**Sec. 3-2.115. Terms of Office.**

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

The following vacancy needs appointment to the Measure 'L' Committee to complete the original terms:

1. Replacement for Scott Garver (Resigned) – Term expires July 2017

Council has requested Mayor Pro Tempore Jim Sanders submit a nomination for this vacancy.

**FISCAL IMPACT:**

No Fiscal Impact

Reviewed by Finance Director

**ACTION REQUESTED:**

Staff recommends the City Council select a member to serve on the Measure 'L' Citizens Advisory Committee for the balance of the 4 year term.

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested: Staff recommends the City Council select a member to serve on the Measure 'L' Advisory Committee for the balance of the 4 year term

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

**SUBJECT:**

An Ordinance of The Ridgecrest City Council amending Chapter XX (Zoning), and Chapter V (Animal Control) of the Municipal Code by:

- adding rules and restrictions regarding the keeping of animals on properties zoned R-1, R-2, E-1, E-2 and E-3, and
- adding provisions and requirements for an Animal Fancier's Permit.

Applicant: City of Ridgecrest Planning Department

**PRESENTED BY:**

Matthew Alexander, AICP

**SUMMARY:**

The animal keeping provisions of the current Municipal Code are not succinct and require interpretation by the Animal Control Officers. The Planning Commission determined that the City should review the Municipal Code to consider providing more clarity to the animal keeping rules. Last February, the Planning Commission appointed Planning Commission Chair Baudhuin and Commissioner Yates to the Animal Regulations Committee. Membership on this Committee was augmented to include Mayor Pro Tem Jim Sanders, Animal Control Officers Mary Stage and Candice Robbs and City Planner Matthew Alexander.

Between March, 2015 and May, 2015 the Animal Regulations Committee met on three occasions, then made a recommendation that the Planning Commission recommend the City Council adopt amendments to the Zoning Ordinance and Animal Control Ordinance to clean up the City's current rules governing animal keeping as well as permitting keeping fowl subject to obtaining a permit from the City's Animal Control Division.

On June 23, 2015 the Planning Commission held a public hearing to consider the recommendations of the Animal Regulations Committee. Several people attended the public hearing related to Animal Regulations. The Planning Commission continued this item until August 25, 2015, requesting that the Animal Regulations Committee hold a Special Meeting encouraging public input.

On July 14, 2015 the Animal Regulations Committee held a Special Meeting to consider revising the draft Ordinance language, consider the appropriate minimum distance between a chicken coop and neighboring residences, and permit the public another opportunity to express their opinions.

On August 25, 2015 the Planning Commission considered the revised recommendations of the Animal Regulations Committee at the Continued Public Hearing, considered public testimony and adopted Resolution PC 15-19 recommending that the City Council Adopt Ordinances Amending Chapter XX and V of the Municipal Code.

**FISCAL IMPACT:**

None

Reviewed by Finance Director

**ACTION REQUESTED:**

Approve Ordinance on first reading and introduction with the following two motions:

1. Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Animal Keeping

Requires A Second

2. Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code As It Relates To Animal Keeping

Requires A Second

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

Submitted by: Matthew Alexander  
(Rev. 6/12/09)

Action Date: October 7, 2015

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIDGECREST  
AMENDING THE RIDGECREST MUNICIPAL CODE  
AS IT RELATES TO ANIMAL KEEPING**

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

**Section 1. Purpose.**

The Municipal Code of the City of Ridgecrest is currently silent as to the keeping of animals within city limits. This ordinance revises Chapters XX and V of the Municipal Code by adding rules and restrictions regarding the keeping of animals on properties zoned R-1 and R-1, and E-1, E-2 and E-3.

**Section 2. Amendments.**

CHAPTER XX of the Ridgecrest Municipal Code is hereby amended and reenacted by adding the following sections:

**“20.33 - Animal Keeping**

The following animal keeping regulations and restrictions apply to parcels in R-1 and R-2 Single-Family Residential Districts (minimum 6,000 sq. ft.), E-3 Estate Districts (minimum 7,500 sq. ft.), E-2 Estate Districts (minimum 10,000 sq. ft.), and E-1 Estate Districts (minimum 40,000 sq. ft.).

**20.33.1- Dogs/Cats**

- (A) A maximum of four (4) dogs or cats, or any combination thereof, shall be permitted on properties zoned for residential use.
- (B) Subject to the restriction above, dogs, four months of age or older, shall be permitted on any premises within the city limits. This includes stray and/or homeless dogs, or dogs left in a resident's care.
- (C) Subject to the restriction above, cats, four months of age or older, shall be permitted on any premises within the city limits. This includes stray, homeless, and feral cats, and any cats left in a resident's care.
- (D) Any resident wishing to exceed the four (4) dog or cat maximum must obtain an Animal Fancier’s Permit through City’s Animal Control Department.

### **20.33.2 - Household Pets (excluding dogs and cats)**

(A) A maximum of four (4) household pets, other than dogs and cats, shall be permitted on any premise within the city limits subject to the conditions set forth in this section. For purposes of this section, household pets include, but are not necessarily limited to, rabbits, birds, mice, rates, hamsters, guinea pigs, nonpoisonous snakes and chinchillas.

(B) Household pets shall be kept at all times in a fully enclosed pen, coop, cage or similar enclosure of appropriate size. Such enclosures shall maintain a minimum setback of twenty (20) feet from all adjacent parcels.

(C) Enclosures required pursuant to this section shall be structurally sound and maintained in good condition to protect animals from injury and from escaping. Additional enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control Department.

(D) The owner of household pets shall at all times keep the animal enclosures in a clean and sanitary condition.

(E) Any resident wishing to exceed the four (4) household pet maximum must obtain an Animal Fancier's Permit through City's Animal Control Department.

### **20.33.3 - Poultry and Other Fowl (including chickens, geese, ducks, pigeons and doves)**

A maximum of two (2) hens, ducks, geese, or pigeons, or any combination thereof, shall be permitted, subject to the following rules and conditions:

(A) No person shall keep any poultry or fowl without an Animal Fancier's Permit as described within Section 5.17 of RMC Chapter V – Animal Control.

(B) All poultry and fowl shall at all times be kept in a fully enclosed pen, coop, cage or similar enclosure of appropriate size. Such enclosure shall maintain a minimum setback of twenty (20) feet from all adjacent parcels.

(C) Enclosures required pursuant to this section shall be structurally sound and maintained in good condition to protect animals from injury and from escaping. Additional enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control Department.

(D) The owner of poultry and/or other fowl shall at all times keep the animal enclosures in a clean and sanitary condition.

(E) No poultry and/or other fowl shall not disturb the peace and comfort of any neighborhood.

(F) Each Animal Fancier's Permit may be revoked pursuant to Ridgecrest Municipal Code section 5.17.3 when an animal is maintained in a manner that violates any of the conditions of the above subsections.

(G) Any resident wishing to exceed the two (2) poultry or fowl maximum must demonstrate a record of good animal keeping practices and obtain an Animal Fancier's Permit through Animal Control Department, which may grant or deny any permit request at its sole discretion."

CHAPTER 5 of the Ridgecrest Municipal Code is hereby amended and reenacted by adding the following sections:

#### **"5.17 - Animal Fancier's Permit Required**

No person shall own or keep poultry and other fowl, as defined in this chapter or Chapter XX, without first applying for and obtaining from the Animal Control Officer an Animal Fancier's Permit. Fees for the keeping of animals for which an Animal Fancier's permit is required shall be established by resolution of the City Council. Each Animal Fancier's Permit shall be valid for a period of five years from the date of issuance, unless revoked pursuant to this Chapter or Chapter XX. In the event an Animal Fancier's Permit is revoked, a new Animal Fancier's Permit may be obtained upon a showing, to the satisfaction of the Animal Control Department, that the violation causing the revocation has been corrected and payment of the appropriate fees has been paid.

##### **5.17.1 - Animal Fancier's Permit Information**

(A) The application for an Animal Fancier's Permit shall include all of the following information:

- (1) The applicant's name, address and telephone number.
- (2) The address of the proposed location where the animals will be maintained.
- (3) The name, address, telephone number of the property owner of the proposed location if different from the applicant.
- (4) The name of educational organization and the name, address and telephone number of the project leader where applicable.
- (5) The name of species of animals to be maintained and number of animals.
- (6) A description of the animal enclosures and the proposed location on the lot where the animal enclosures will be placed.
- (7) The purpose for the keeping of such animals on the property.
- (8) Any other information the animal services supervisor deems necessary.

(B) Permits are not transferable to third parties.

#### **5.17.2 - Approval of Application**

Upon receipt of an application for an Animal Fancier's Permit, the Animal Control Officer shall make any investigation he/she deems proper. A copy of the application may be forwarded to any other agency if the Animal Control Officer, in his/her discretion, concludes that the assistance of such agencies is necessary to approve the application. The Animal Control Department may approve an application if he/she makes all of the findings specified below:

(A) The keeping of the animal at the location specified in the application will not violate any ordinance or other regulation of this city or any federal, state, or county law or regulation.

(B) The keeping and maintenance of the animal will not endanger the peace, health or safety of persons in the immediate vicinity or in the city as a whole, and will not constitute a nuisance.

(C) The premises and enclosure where the animal is to be kept are in clean and sanitary condition, and the animal will not be subject to suffering, neglect, cruelty or abuse.

(D) The applicant has corrected any deficiencies that caused a previous permit to be revoked or denied.

#### **5.17.3 - Revocation**

Any permit issued pursuant to this chapter may be revoked if the Animal Control Officer finds any of the following to be true:

(A) The permittee, his/her agent, or employee was convicted of any offense involving the violation of the California Penal Code relating to cruelty to animals, or is in violation of city, county, state or federal laws relating to the regulation or keeping of animals.

(B) The permittee failed to keep and maintain the premises or enclosures for the animals in a clean and sanitary condition.

(C) The permittee failed to provide any animal with proper food, water, shelter or attention.

(D) The permittee violated any rules, regulations or conditions adopted by the Animal Services Department as necessary to ensure the animal will not endanger the safety of any person or property.

#### **5.17.4 - Inspection**

(A) Upon request by the Animal Services Department, permits issued pursuant to the provisions of this chapter shall be made available for inspection by the permittee.

(B) Owners of animals shall, upon request by the Animal Services Department and/or its designee, grant access to the premises on which an animal is maintained to any Animal Control Officer/Peace Officer of the City, who may enter the premises for the sole purpose of inspecting the premises and assuring compliance with this Chapter. The failure by an owner to grant access to its premises may, at the discretion of the Animal Services Department, cause the revocation of owner's Animal Fancier's Permit.

#### **5.17.5 - Relocation Permit**

A new permit shall be obtained when animals subject to this Chapter are relocated in the City. The fee for the issuance of a new permit shall be the same established by City Council resolution, and it is due and payable when the relocation permit is obtained.

#### **5.17.6 - Appeals**

Any person aggrieved by any decision or action resulting from the application of this Chapter may appeal to the Planning Commission. The filing of an appeal shall stay the decision or action appealed therefrom; however, the filing of an appeal shall not stay any order of suspension.

#### **5.17.7 - Animal at Large**

It shall be unlawful for any person to allow poultry or fowl to run freely. All poultry or fowl will be confined securely within private property legally controlled by the person in possession.

#### **5.17.8 - Impoundment**

The Animal Control Officer shall have the authority to enter the premises and to impound and safely keep any animal upon revocation of a permit. The permittee shall surrender possession of the animal(s) upon demand of the Animal Control Officer.

#### **5.17.9 - Willful Abandonment of an Animal**

Any person who willfully abandons any animal is guilty of an infraction.

#### **5.17.10 - Animal Tethering**

No person shall tether, fasten, chain, tie or restrain any animal to a tree, fence or other stationary object.

**5.17.11 - Animal in Unattended Motor Vehicle**

No person shall leave or confine an animal in any unattended motor vehicle under conditions that endanger the health or well-being of the animal due to heat, cold, lack of ventilation, or lack of food or water.

**5.17.12 - Penalties**

Any person or entity violating any provision of this section shall be deemed guilty of an infraction. Each day the condition exists shall be deemed a separate offense for which the violator may be cited and fined.”

**Section 3. Other.**

Except as otherwise provided, the Ridgecrest Municipal Code is reaffirmed and readopted.

PASSED, APPROVED, AND ADOPTED at a regular meeting of said City Council held on \_\_\_\_\_, 2015, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Peggy Breeden, Mayor

ATTEST:

\_\_\_\_\_  
Rachel J. Ford, City Clerk

(Seal)

**PLANNING COMMISSION RESOLUTION 15 – 19**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF RIDGECREST RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING CHAPTERS XX and V OF THE RIDGECREST MUNICIPAL CODE, (Ordinance Text Amendments 15-01)**

**THE PLANNING COMMISSION OF THE CITY OF RIDGECREST RESOLVES as follows:**

**SECTION 1. FINDINGS**

On June 23, 2015 the Planning Commission duly and regularly reviewed proposed amendments to Chapter 20 (Zoning) and Chapter 5 (Animal Control) of the Ridgecrest Municipal Code regarding:

- Animal Keeping provisions within the Single Family Residential Zone Districts relating to dogs, cats, household pets, poultry and other fowl, and
- Animal Fancier's Permit requirements and procedures.

This public hearing was continued until August 25, 2015 in order to allow the Animal Regulations Committee to hold a Special Meeting to permit additional public participation. This Committee meeting was held and attended by members of the public wishing to be heard on the subject. The Animal Regulations Committee recommended modifications to the draft ordinance amendments which have been forwarded to the Planning Commission.

The Commission considered the proposed amendments based upon the findings that:

- (a) Subject to the proposed Ordinance Text Amendments identified herein, these amendments are in compliance with the City of Ridgecrest Municipal Code regulations and procedures.
- (b) Subject to the proposed Ordinance Text Amendments, these amendments are in compliance with regulations and procedures established by the County of Kern, State of California, and United States of America.
- (c) The amendments are in conformity with the applicable elements of the City of Ridgecrest General Plan.

**SECTION 2. RECOMMENDATION**

The Planning Commission hereby recommends that the City Council adopt the following Ordinance Amendments:

## **Proposed Amendments to CHAPTER XX – ZONING**

### **20.33 - Animal Keeping**

The following animal keeping regulations and restrictions apply to parcels in R-1 and R-2 Single-Family Residential Districts (minimum 6,000 sq. ft.), E-3 Estate Districts (minimum 7,500 sq. ft.), E-2 Estate Districts (minimum 10,000 sq. ft.), and E-1 Estate Districts (minimum 40,000 sq. ft.).

#### **20.33.1 Dogs/Cats**

- a. A maximum of four (4) dogs or cats, or any combination thereof, shall be permitted on properties zoned for residential use.
- b. Dogs, four months of age or older, shall be permitted on any premises within the city limits. This includes stray and/or homeless dogs, or dogs left in a resident's care.
- c. Cats, four months of age or older, shall be permitted on any premises within the city limits. This includes stray, homeless, and feral cats, and any cats left in a resident's care.
- d. Any resident wishing to exceed the four (4) dog or cat maximum must obtain an Animal Fancier's Permit through City's Animal Control Department.

#### **20.33.2 Household Pets (excluding dogs and cats)**

- a. A maximum of four (4) household pets, other than dogs and cats, shall be permitted on any premise within the city limits subject to the conditions set forth in this section. For purposes of this section, household pets include, but are not necessarily limited to, rabbits, birds, mice, rats, hamsters, guinea pigs, nonpoisonous snakes and chinchillas.
- b. Household pets shall be kept at all times in a fully enclosed pen, coop, cage or similar enclosure of appropriate size.
- c. Enclosures required pursuant to this section shall be structurally sound and maintained in good condition to protect animals from injury and from escaping. Additional enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control Department.
- d. The owner of household pets shall at all times keep the animal enclosures in a clean and sanitary condition.
- e. Any resident wishing to exceed the four (4) household pet maximum must obtain an Animal Fancier's Permit through City's Animal Control Department.

### **20.33.3 Poultry and other fowl (including chickens, geese, ducks, pigeons and doves)**

A maximum of two (2) hens, ducks, geese, or pigeons, or any combination thereof, shall be permitted, subject to the following rules and conditions:

a. No person shall keep any poultry or fowl without an Animal Fancier's Permit as described within Section 5.17 of RMC Chapter V – Animal Control.

b. All poultry and fowl shall at all times be kept in a fully enclosed pen, coop, cage or similar enclosure of appropriate size. Such enclosure shall maintain a minimum setback of twenty (20) feet from all adjacent parcels. In the event that this minimum setback cannot be obtained, Animal Control will have the discretion to reduce the minimum setback distance.

c. Enclosures required pursuant to this section shall be structurally sound and maintained in good condition to protect animals from injury and from escaping. Additional enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control Department.

d. The owner of poultry and/or other fowl shall at all times keep the animal enclosures in a clean and sanitary condition.

e. No poultry and/or other fowl shall not disturb the peace and comfort of any neighborhood.

f. Each Animal Fancier's Permit may be revoked pursuant to Ridgecrest Municipal Code section 5.17.3 when an animal is maintained in a manner that violates any of the conditions of the above subsections.

g. Any resident wishing to exceed the two (2) poultry or fowl maximum must demonstrate a record of good animal keeping practices and amend their Animal Fancier's Permit through the Animal Control Department, which may grant or deny the requested amendment to add up to two additional poultry or fowl at its sole discretion.

### **Proposed Amendments to CHAPTER V – ANIMAL CONTROL**

#### **5.17 Animal Fancier's Permit Required**

No person shall own or keep poultry and other fowl, as defined in this chapter or Chapter XX, without first applying for and obtaining from the Animal Control Officer an Animal Fancier's Permit. Fees for the keeping of animals for which an Animal Fancier's permit is required shall be established by resolution of the City Council. Each Animal Fancier's Permit shall be valid for a period of five years from the date of issuance, unless revoked pursuant to this Chapter or Chapter XX. In the event an Animal Fancier' Permit is revoked, a new Animal Fancier's Permit may be obtained upon a showing, to the satisfaction of the Animal Control Department, that the violation causing the revocation has been corrected and payment of the appropriate fees has been paid.

### **5.17.1 Animal Fancier's Permit Information**

a. The application for an Animal Fancier's Permit shall include all of the following information:

- (1) The applicant's name, address and telephone number.
- (2) The address of the proposed location where the animals will be maintained.
- (3) The name, address, telephone number of the property owner of the proposed location if different from the applicant.
- (4) The name of educational organization and the name, address and telephone number of the project leader where applicable.
- (5) The name of species of animals to be maintained and number of animals.
- (6) A description of the animal enclosures and the proposed location on the lot where the animal enclosures will be placed.
- (7) The purpose for the keeping of such animals on the property.
- (8) Any other information the animal services supervisor deems necessary.

b. Permits are not transferable to third parties.

### **5.17.2 Approval of Application**

Upon receipt of an application for an Animal Fancier's Permit, the Animal Control Officer shall make any investigation he/she deems proper. A copy of the application may be forwarded to any other agency if the Animal Control Officer, in his/her discretion, concludes that the assistance of such agencies is necessary to approve the application. The Animal Control Department may approve an application if he/she makes all of the findings specified below:

- (a) The keeping of the animal at the location specified in the application will not violate any ordinance or other regulation of this city or any federal, state, or county law or regulation.
- (b) The keeping and maintenance of the animal will not endanger the peace, health or safety of persons in the immediate vicinity or in the city as a whole, and will not constitute a nuisance.
- (c) The premises and enclosure where the animal is to be kept are in clean and sanitary condition, and the animal will not be subject to suffering, neglect, cruelty or abuse.
- (d) The applicant has corrected any deficiencies that caused a previous permit to be revoked or denied.

### **5.17.3 Revocation**

Any permit issued pursuant to this chapter may be revoked if the Animal Control Officer finds any of the following to be true:

- (a) The permittee, his/her agent, or employee was convicted of any offense involving the violation of the California Penal Code relating to cruelty to animals, or is in violation of city, county, state or federal laws relating to the regulation or keeping of animals.

- (b) The permittee failed to keep and maintain the premises or enclosures for the animals in a clean and sanitary condition.
- (c) The permittee failed to provide any animal with proper food, water, shelter or attention.
- (d) The permittee violated any rules, regulations or conditions adopted by the Animal Services Department as necessary to ensure the animal will not endanger the safety of any person or property.

#### **5.17.4 Inspection**

- (a) Upon request by the Animal Services Department, permits issued pursuant to the provisions of this chapter shall be made available for inspection by the permittee.
- (b) Owners of animals shall, upon request by the Animal Services Department and/or its designee, grant access to the premises on which an animal is maintained to any Animal Control Officer/Peace Officer of the City, who may enter the premises for the sole purpose of inspecting the premises and assuring compliance with this Chapter. The failure by an owner to grant access to its premises may, at the discretion of the Animal Services Department, cause the revocation of owner's Animal Fancier's Permit.

#### **5.17.5 Relocation Permit**

A new permit shall be obtained when animals subject to this Chapter are relocated in the City. The fee for the issuance of a new permit shall be the same established by City Council resolution, and it is due and payable when the relocation permit is obtained.

#### **5.17.6 Appeals**

Any person aggrieved by any decision or action resulting from the application of this Chapter may appeal to the Planning Commission. The filing of an appeal shall stay the decision or action appealed therefrom; however, the filing of an appeal shall not stay any order of suspension.

#### **5.17.7 Animal at Large**

It shall be unlawful for any person to allow poultry or fowl to run freely. All poultry or fowl will be confined securely within private property legally controlled by the person in possession.

#### **5.17.8 Impoundment**

The Animal Control Officer shall have the authority to enter the premises and to impound and safely keep any animal upon revocation of a permit. The permittee shall surrender possession of the animal(s) upon demand of the Animal Control Officer.

#### **5.17.9 Willful Abandonment of an Animal**

Any person who willfully abandons any animal is guilty of an infraction.

#### **5.17.10 Animal Tethering**

No person shall tether, fasten, chain, tie or restrain any animal to a tree, fence or other stationary object.

**5.17.11 Animal in unattended motor vehicle**

No person shall leave or confine an animal in any unattended motor vehicle under conditions that endanger the health or well-being of the animal due to heat, cold, lack of ventilation, or lack of food or water.

**5.17.12 Penalties**

Any person or entity violating any provision of this section shall be deemed guilty of an infraction. Each day the condition exists shall be deemed a separate offense for which the violator may be cited and fined.

**APPROVED AND ADOPTED** this 25th day of August, 2015 by the following vote:

AYES: Baudhuin, Davis, Cox, Yates  
NOES: None  
ABSENT: Rajaratnam  
ABSTAIN: None

  
\_\_\_\_\_  
Matt Baudhuin, Chairman

ATTEST:

  
\_\_\_\_\_  
Ricca Charlton, Deputy City Clerk



City of Ridgecrest  
PLANNING DEPARTMENT  
100 West California Ave. Ridgecrest, CA 93555  
(760) 499-5063 FAX (760) 499-1580  
www.ci.ridgecrest.ca.us

Agenda Item #8b

**Planning Commission  
Continued Public Hearing: August 25, 2015  
Planning Commission  
STAFF REPORT**

**Application: OT 15-01 (Ordinance Text Amendments)**

the Planning Commission will consider recommending that the City Council amend portions of Chapter 20, (Zoning) and Chapter 5, (Animal Control), of the Municipal Code regarding:

- Animal Keeping provisions within the Single Family Residential Zone Districts relating to dogs, cats, household pets, poultry and other fowl, and
- Animal Fancier's Permit requirements and procedures.

**Applicant**

Animal Regulations Committee  
City of Ridgecrest

**Recommendation:**

ADOPT RESOLUTION 15-XX RECOMMENDING THAT THE CITY COUNCIL AMEND PORTIONS OF CHAPTER 20, (ZONING) AND CHAPTER 5, (ANIMAL CONTROL), OF THE MUNICIPAL CODE REGARDING:

- ANIMAL KEEPING PROVISIONS WITHIN THE SINGLE FAMILY RESIDENTIAL ZONE DISTRICTS RELATING TO DOGS, CATS, HOUSEHOLD PETS, POULTRY AND OTHER FOWL, AND
- ANIMAL FANCIER'S PERMIT REQUIREMENTS AND PROCEDURES.

**Background**

The animal keeping provisions of the current Zoning Ordinance are not succinct and require interpretation by the City's Planner and the Animal Control Officers. Because of this, the staff has had to establish policies based upon our best interpretation of the Ordinance in order to enforce animal keeping provisions.

Last February, the Planning Commission appointed Commissioners Baudhuin and Yates to the Animal Regulations Committee. Membership on this Committee was augmented to include Mayor Pro Tem Jim Sanders, Animal Control Officers Mary Stage and Candice Robbs and City Planner Matthew Alexander.

Between March, 2015 and May, 2015 the **Animal Regulations Committee** met on three occasions, then made a recommendation that the Planning Commission recommend the City Council adopt amendments to the Zoning Ordinance and Animal Control Ordinance to clean up the city's current rules governing animal keeping as well as permitting up to chickens subject to obtaining a permit from the City's Animal Control Division.

On June 23, 2015 the **Planning Commission** held a public hearing to consider the recommendations of the Animal Regulations Committee. Several people attended the public hearing related to Animal Regulations. Following are the Planning Commission Minutes from the June 23, 2015 public hearing:

OT 15-01 (Ordinance Text Amendments), the Planning Commission will consider recommending that the City Council amend portions of Chapter 20, (Zoning) and Chapter 5, (Animal Control), of the Municipal Code regarding:

- Animal Keeping provisions within the Single Family Residential Zone Districts relating to dogs, cats, household pets, poultry and other fowl, and
- Animal Fancier's Permit requirements and procedures.
  - Matthew Alexander gave staff report
  - Public comment – the following individuals spoke in favor and/or against: Steven Morgan, Matthew Jorgensen, Jim Hesar, Martha Harkee, Claudette, Zurn, Jim Sanders, James Weimholt, David Knight and Peggy Breeden.
  - Animal control officer Mary Stage spoke to supply more information indicating that the Animal control officers were not in favor of permitting chickens within the R-1 Zone Districts.

Chair Baudhuin moved to **continue the public hearing to the August 25, 2015 Planning Commission meeting** in order to gather more information and allow for more public participation and comments; Second by C. Yates. Further, it was decided to hold a Special Meeting of the Animal Regulations Committee on July 14, 2015.

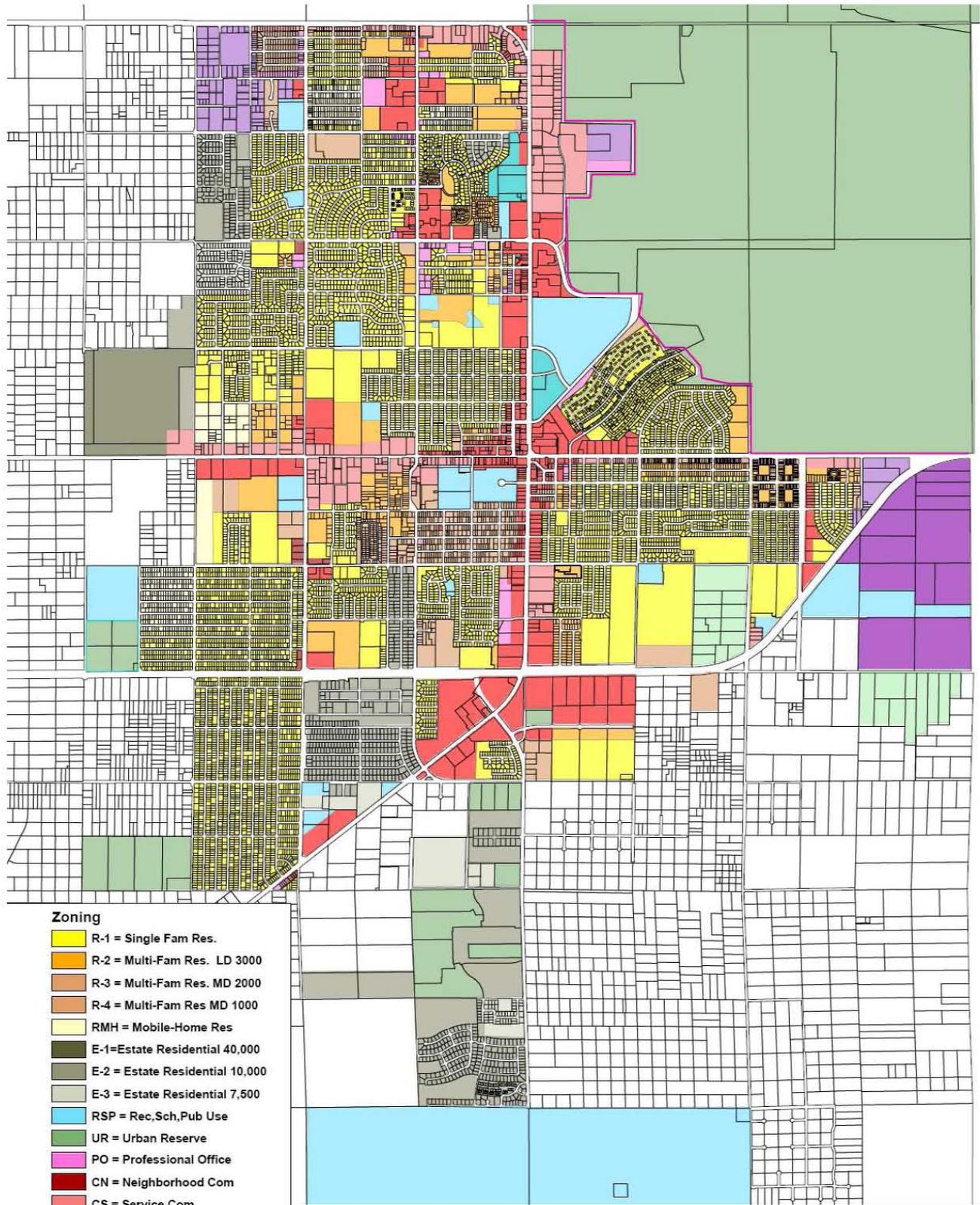
*Motion Carried By Roll Call Vote of 4 Ayes, 0 Nays, 0 Abstain, and 1 Absent*

On July 14, 2015 the **Animal Regulations Committee** held a Special Meeting for the following purposes:

1. To consider revising some of the draft Ordinance language.
2. To permit the public another opportunity to express their opinions, and
3. To review whether or not the recommended minimum distance between a proposed coop and the nearest neighboring homes is reasonable – it was decided to permit chicken coops to be located up a minimum of 20 feet from neighboring dwellings.

## **Discussion**

It is advisable that the Ordinances should be amended so that the animal keeping policies are clear to the public. Alternatively, the Commission may wish to direct the staff to depart from the current interpretation of the Code by amending the Zoning Ordinance to permit the limited keeping of farm animals subject to a Special Permit. This may be by right, (but subject to requirements that may be enforced by the Animal Control Officers).



2009 Current Zoning  
as of December 2, 2009



February 22, 2010, nah Planning

The most predominant Zoning District within the city is R-1 Single Family Zone, (please note canary yellow color on the Zoning Map on the next page).

Interestingly, this most popular Zone District does not address animal usage, (even related to dogs and cats). It could be argued that domestic animals are allowed, thus causing the staff to reference Section 20-5.2b of the Ridgecrest Zoning Ordinance.

Following is the City's current code section related to animal keeping. The UR (Urban Reserve) Zone is very limited within the Ridgecrest corporate limits.

**20-5.2. - UR — Permitted Uses.**

- a. *A one-family dwelling in areas designated by the General Plan as Rural Residential or Estate Density.*
- b. *The following uses are permitted:*
  1. *Breeding, hatching, raising and fattening of poultry, fowl, birds, rabbits for domestic use, provided that such fowl or animal shall be limited in number to one per 2,000 square feet of site area.*
  2. *Keeping of bovine animals and horses, provided, however, that there shall not be allowed on the premises more than one of any adult animal of the foregoing for each 40,000 square feet of site area. The keeping of such fowl and animals shall conform to all other provisions of law governing same, and no fowl or animals, nor any pen, coop, stable, barn or corral shall be kept or maintained within 50 feet of any dwelling or other building used for human habitation, or within 100 feet of the front lot line of the lot upon which it is located, or within 100 feet of any public park, school, hospital or similar institution.*
  3. *There shall be no raising, killing or dressing of any such animals or poultry for commercial purposes.*

Section 20-5.2 refers to domestic use and boils down to poultry, fowl, birds, rabbits: One per 2000 square feet, including a fowl coop to be a minimum of 50 feet from any dwelling and 100 feet from a front lot line.

Therefore, the lot has to be more than 100 feet deep and 100 feet wide to be considered. Since the typical R-1 lot size is 100 feet by 60 feet this provision will exclude more than 99% of all R-1 Zoned properties from the ability to raise any chickens.

The City also has a Primary Agriculture District, (designated A-5 on the Zoning Map or light green). This Zoning District contains large lots and is located in rural areas of the City, north and south of E. Bowman Road.

While the Agriculture District includes text related to animals, the rural Zone District is not relevant to the residential single family neighborhoods within the City.

If adopted, the ordinance text amendments will amend Animal Keeping within the R-1 and R-2 Single-Family Residential District - (for lots that are a minimum 6,000 sq. ft), the E-3 Estate District – (minimum 7,500 sq. ft.), the E-2 Estate District - (minimum 10,000 sq. ft.), and the E-1 Estate District - (minimum 40,000 sq. ft.):

In order to graphically illustrate the proposed Ordinance, the staff has prepared the chart below which categorizes animals by type:

| <b>Ordinance Section</b> | <b>Animal Type</b>  | <b>Maximum # Permitted</b>   |
|--------------------------|---|--|
| <b>20.33.1</b>           | <b>Dogs and Cats</b>  | <b>4</b>   |
| <b>20.33.2</b>           | <p><b>Household Pets</b><br/>such as, rabbits, birds, mice, rats, hamsters, guinea pigs, snakes, or chinchillas or any combination thereof shall be permitted on any premise within the city limits subject to condition:</p> <p>a. Rabbits, birds or other household pets mentioned above (excluding dogs and cats) shall be kept at all times in a fully enclosed pen, coop, cage or similar appropriate enclosure and shall maintain a minimum setback of twenty feet from all adjacent dwelling units and all property lines.</p> <p>b. Housing facilities for animals shall be structurally sound and shall be maintained in good repair to protect animals from injury and to prevent the animal from escaping.</p> <p>c. The owner shall at all times keep the place in which such animal is kept in a clean and sanitary condition.</p> | <b>4</b> , (including dogs and cats)   |
| <b>20.33.3</b>           | <p><b>Poultry and other fowl (including chickens, geese, ducks, pigeons and doves)</b><br/>A maximum of two hens, ducks, geese, or pigeons or any combination thereof shall be permitted on any single family residential (minimum 6,000sqft) premises within the city limits provided that the total number of poultry or fowl does not exceed two, (with the ability to apply for up to 2 more, or a maximum of 4) and is subject to the following condition:</p> <p>a. No person shall keep any poultry or fowl except by receiving an animal fancier’s permit as describer within</p>   | <b>2</b> , (up to 2 more may be applied for subject to satisfactory demonstration of Animal Keeping practices) |

|  |  |  |
|--|--|--|
|  | <p>Section 5.17 of RMC Chapter V – Animal Control,</p> <p>b. All poultry and fowl shall at all times, be kept in a fully enclosed pen, coop, cage or similar enclosure of appropriate size and shall maintain a minimum setback of twenty feet from all adjacent dwelling units.</p> <p>c. Housing facilities for animals shall be structurally sound and shall be maintained in good repair to protect animals from injury and to prevent the animal from escaping.</p> <p>d. The owner shall, at all times keep the place in which such animals are kept in a clean and sanitary condition.</p> <p>e. No poultry and/or other fowl shall disturb the peace and comfort of any neighborhood.</p> <p>f. Enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control.</p> <p>g. Each animal fancier’s permit is subject to suspension and revocation as prescribed within Section 5.17.3 of the RMC whenever an animal is maintained in such a manner that violates any of the conditions of the above subsections.</p> |  |
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**Recommendation:**

ADOPT RESOLUTION 15-XX RECOMMENDING THAT THE CITY COUNCIL AMEND PORTIONS OF CHAPTER 20, (ZONING) AND CHAPTER 5, (ANIMAL CONTROL)

**DRAFT**

**PLANNING COMMISSION RESOLUTION 15 – xx**  
**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY**  
**OF RIDGECREST RECOMMENDING THAT THE CITY COUNCIL**  
**ADOPT ORDINANCES AMENDING CHAPTERS XX and V OF THE**  
**RIDGECREST MUNICIPAL CODE, (Ordinance Text**  
**Amendments 15-01)**

**THE PLANNING COMMISSION OF THE CITY OF RIDGECREST RESOLVES as follows:**

**SECTION 1. FINDINGS**

On June 23, 2015 the Planning Commission duly and regularly reviewed proposed amendments to Chapter 20 (Zoning) and Chapter 5 (Animal Control) of the Ridgecrest Municipal Code regarding:

- Animal Keeping provisions within the Single Family Residential Zone Districts relating to dogs, cats, household pets, poultry and other fowl, and
- Animal Fancier’s Permit requirements and procedures.

This public hearing was continued until August 25, 2015 in order to allow the Animal Regulations Committee to hold a Special Meeting to permit additional public participation. This Committee meeting was held and attended by members of the public wishing to be heard on the subject. The Animal Regulations Committee recommended modifications to the draft ordinance amendments which have been forwarded to the Planning Commission.

The Commission considered the proposed amendments based upon the findings that:

- (a) Subject to the proposed Ordinance Text Amendments identified herein, these amendments are in compliance with the City of Ridgecrest Municipal Code regulations and procedures.
- (b) Subject to the proposed Ordinance Text Amendments, these amendments are in compliance with regulations and procedures established by the County of Kern, State of California, and United States of America.
- (c) The amendments are in conformity with the applicable elements of the City of Ridgecrest General Plan.

**SECTION 2. RECOMMENDATION**

The Planning Commission hereby recommends that the City Council adopt the following Ordinance Amendments:

## **Proposed Amendments to CHAPTER XX – ZONING**

### **20.33 - Animal Keeping**

The following animals may be permitted on properties zoned for residential use:

#### **20.33.1 Dogs/Cats**

A Maximum of four of the following or four of any combination of the following shall be permitted provided, that the total number of dogs and cats does not exceed four:

- a. A maximum of 4 dogs, four months of age or older, shall be permitted on any premises within the city limits. This will also account for any dog that is stray, homeless or dogs left in resident's care.
- b. A maximum of four cats, four months of age or older shall be permitted on any premises within the city limits. This will also account for any cat that is stray, homeless, and feral or cats left in resident's care.
- c. All feral and homeless cat colonies shall be required to be spayed/neutered. For identification purposes, cats should be ear tipped.
- d. If an owner wishes to add an additional Dog/Cat and are already at their limit (4) an Animal Fancier's Permit can be obtained through Animal Control.

#### **20.33.2 Household Pets (excluding dogs and cats)**

A maximum of four household pets (excluding dogs and cats) such as, rabbits, birds, mice, rats, hamsters, guinea pigs, non poisonous snakes, or chinchillas or any combination thereof shall be permitted on any premise within the city limits provided, that the total number of household pets does not exceed four and is subject to the following condition:

- a. Rabbits, birds or other household pets mentioned above (excluding dogs and cats) shall be kept at all times in a fully enclosed pen, coop, cage or similar appropriate enclosure and shall maintain a minimum setback of twenty feet from all adjacent neighboring units.
- b. Housing facilities for animals shall be structurally sound and shall be maintained in good repair to protect animals from injury and to prevent the animal from escaping.
- c. The owner shall at all times keep the place in which such animal is kept in a clean and sanitary condition.
- d. . If an owner wishes to add additional Household pets and are already at their limit(4) an Animal Fancier's Permit can be obtained through Animal Control.

**20.33.3 Poultry and other fowl (including chickens, geese, ducks, pigeons and doves)**

The following uses may be permitted in the R-1 and R-2 Single-Family Residential District - (minimum 6,000 sq. ft), the E-3 Estate District – (minimum 7,500 sq. ft.), the E-2 Estate District - (minimum 10,000 sq. ft.), and the E-1 Estate District - (minimum 40,000 sq. ft.):

A maximum of two hens, ducks, geese, or pigeons or any combination thereof shall be permitted on any single family residential (minimum 6,000 sq ft) premises within the city limits provided that the total number of poultry or fowl does not exceed two and is subject to the following condition:

- a. No person shall keep any poultry or fowl except by receiving an Animal Fancier’s Permit as described within Section 5.17 of RMC Chapter V – Animal Control,
- b. All poultry and fowl shall at all times, be kept in a fully enclosed pen, coop, cage or similar enclosure of appropriate size and shall maintain a minimum setback of twenty feet from all adjacent dwellings.
- c. Housing facilities for animals shall be structurally sound and shall be maintained in good repair to protect animals from injury and to prevent the animal from escaping.
- d. The owner shall, at all times keep the place in which such animals are kept in a clean and sanitary condition.
- e. No poultry and/or other fowl shall disturb the peace and comfort of any neighborhood.
- f. Enclosure requirements and specifications may be obtained from the City of Ridgecrest Planning Department or Animal Control.
- g. Each Animal Fancier’s Permit is subject to revocation as prescribed within Section 5.17.3 of the RMC whenever an animal is maintained in such a manner that violates any of the conditions of the above subsections.
- h. If an owner wishes to add up to 2 additional poultry or fowl and are already at their limit of 2, the Animal Fancier’s Permit may be amended through Animal Control to a maximum of up to 4 poultry or fowl based upon a demonstrated track record of good animal keeping practices.

**Proposed Amendments to  
CHAPTER V – ANIMAL CONTROL**

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## **5.17 Animal Fancier's Permit Required.**

No person shall own or keep poultry and other fowl as defined in this chapter or Chapter XX, without first applying for and obtaining from the Animal Control Officer an Animal Fancier's Permit.

Fees for keeping of animals for which an Animal Fancier's permit is required shall be established by resolution of the City Council. The initial fee for the issuance of each permit shall be valid for a period of five years from the date of issuance unless revoked. If an Animal Fanciers Permit is revoked and the violation is cleared a new Permit will need to be obtained along with the appropriate fees.

Whenever, in any given permit year, there are new animals in a collection due to the reproduction of members of the collection or due to trade, exchange or replacement in the same number and of the same zoological order as the members of the collection traded, exchanged or replaced, the new animals do not require an additional permit during that year.

### **5.17.1 Animal Fancier's Permit Information.**

The application for an animal fancier's permit shall include the following information:

- (a) The applicant's name, address and telephone number.
- (b) Address of the proposed location where the animals will be maintained.
- (c) Name, address, telephone number of the property owner of the proposed location if different from the applicant.
- (d) Name of educational organization and the name, address and telephone number of the project leader where applicable.
- (e) Name of species of animals to be maintained and number of animals.
- (f) Description of the housing facilities and the proposed location on the lot where the housing facilities will be placed.
- (g) Purpose for the keeping of such animals on the property.
- (h) Any other information the animal services supervisor deems necessary.
- (I) Permits are not transferable to third parties.
- (J) . If an owner wishes to add up to 2 additional poultry or fowl and are already at their limit of 2, the Animal Fancier's Permit may be amended through Animal Control to a maximum of up to 4 poultry or fowl based upon a demonstrated track record of good animal keeping practices.

### **5.17.2 Approval of Application.**

Upon receipt of an application for a permit by the animal control officer he/she shall make any investigation he/she deems proper. A copy of the application maybe forwarded to any other agency if the Animal Control Officer, in his/her discretion, concludes that the assistance of such agencies is necessary in order for him/her to approve the application. Animal Control may approve an application if he/she makes all of the findings specified below:

- (a) The keeping of the animal at the location specified in the application will not violate any ordinance or other regulation of this city or any law of the state;

- (b) The keeping and maintenance of the animal will not endanger the peace, health or safety of persons in the immediate vicinity or in the city as a whole and will not constitute a nuisance;
- (c) The premises and housing where the animal is to be kept are in clean and sanitary condition, and the animal will not be subject to suffering, neglect, cruelty or abuse;
- (d) The applicant has corrected any deficiencies which may have caused a previous permit to be revoked or denied.

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### **5.17.3 Revocation.**

Any permit issued pursuant to this chapter may be revoked if, after an investigation the Animal Control Officer finds any of the following to be true:

- (a) The permittee, his/her agent, or employee has been convicted of any offense involving the violation of the California Penal Code relating to cruelty to animals or is in violation of the city, county, state or federal laws relating to the regulation or keeping of animals; or
- (b) The permittee has failed to keep and maintain the premises or housing for the animals in a clean and sanitary condition; or
- (c) The permittee has, at the place for which the permit is issued, failed to provide any animal with proper food, water, shelter or attention; or
- (d) The permittee has violated any rules, regulations or conditions adopted by the animal services supervisor as necessary to ensure the animal will not endanger the safety of any person or property.

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### **5.17.4 Inspection.**

- (a) Permits issued pursuant to the provisions of this chapter shall be surrendered for inspection by the permittee upon request of the animal services supervisor.
- (b) The premises on which an animal is maintained shall be open at any reasonable hour for inspection by the Animal Control Officer/Peace Officer.

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### **5.17.5 Relocation Permit.**

In the event such animals are relocated in the City, a new permit shall be obtained. The fee for the issuance of a new permit shall be the same established by City Council resolution, and it is due and payable when permit is obtained.

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### **5.17.6 Appeals.**

- (a) Any person aggrieved by any decision or action resulting from the application of this chapter may appeal to the Planning Commission. The filing of an appeal shall stay the decision or action appealed from; provided, that the filing of an appeal shall not stay any order of suspension.

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### **5.17.7 Animal At Large.**

It shall be unlawful for any person to allow poultry or fowl to run freely. All Poultry or Fowl will be confined securely within private property legally controlled by the person in possession.

**5.17.8 Impoundment.**

The Animal Control Officer shall have the authority to enter the premises, at any reasonable hour, and to take up, impound and safely keep any animal upon revocation, of a permit. The permittee shall surrender possession of the animal(s) upon demand of the Animal Control Officer.

**5.17.9 Willful Abandonment of an Animal.**

Every Person who willfully abandons any animal is guilty of an infraction.

**5.17.10 Animal Tethering.**

No person shall tether, fasten, chain, tie or restrain any animal to a tree, fence or any other stationary object.

**5.17.11 Animal in unattended motor vehicle.**

No person shall leave or confine an animal in any unattended motor vehicle under conditions that endanger the health or well-being due to heat, cold, lack of ventilation, or lack of food or water.

**5.17.12 Penalties.**

Any person, firm or corporation violating any provision of this section shall be deemed guilty of an infraction and shall be liable to the penalty establish in Article 4, section 1-4.104. Each day the condition exists shall be deemed a separate offense for which the violator may be cited and fined.

APPROVED AND ADOPTED this 25<sup>th</sup> day of August, 2015 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Matt Baudhuin, Chairman

ATTEST:  
  
\_\_\_\_\_  
Ricca Charlon, Secretary