



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

AGENDA

Wednesday

Regular

Regular Session 6:00 p.m.

July 20, 2016

**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. 16-01
LAST RESOLUTION CITY COUNCIL NO. 16-85

CITY OF RIDGECREST

CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY

AGENDA

Regular Council
Wednesday July 20, 2016

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

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>

Pursuant To California Government Code 54953 (B) (1) An Additional Call In Location Has Been Established For A Council Member Who Will Attend This Meeting Via Teleconference At 20825 Timber Lane Drive, Elkhorn, NE 68022

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
- Other

PUBLIC COMMENT

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

1. Proposed Action To Approve A Resolution Award A Construction Contract To Griffith Construction Company To Pave The Dirt Road On North Warner Street Between Drummond Avenue To West Howell Avenue In The Amount Of Two Hundred Two Thousand Two Hundred Two Dollars (\$202,202.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer
2. Proposed Action To Approve A Resolution To Award A Construction Contract To Griffith Construction Company To Pave The Eastbound Graaf Avenue From North Sierra View To North Norma Street In The Amount Of Two Hundred Four Thousand Four Hundred And Two Dollars (\$204,402.00) And Authorizing The City Manager, Dennis Speer, To Execute The Contract Speer
3. Proposed Action To Approve A Resolution For Change Order Number One To Add Ten Thousand Dollars (\$10,000.00) To The Contract Amount In The Professional Service Agreement With Quad Knopf Engineering, For (1) Additional Design And Engineering For Expanded Area, (2) Additional Ada Ramp Design, (3) Construction Easement Exhibits For Drive Approaches On The East Drummond Project Speer
4. Proposed Action To Approve A Renewal Contract With York Risk Services For Third Party Administration Of The City Of Ridgecrest Workers Compensation Program Ford
5. Proposed Action To Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Special Meeting Dated June 29, 2016 Ford
6. Proposed Action To Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Regular Meeting Dated July 6, 2016 Ford

DISCUSSION AND OTHER ACTION ITEMS

7. Proposed Action To Appoint A Planning Commissioner To Replace A Vacancy On The Board Ford
8. Proposed Action To Approve A Resolution And Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code By Establishing A Temporary Transactions And Use Tax To Be Administered By The State Board Of Equalization And Placing The Measure On The Election Ballot For November 8, 2016 Speer

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: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 4th 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: 1st 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: 1st 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: 2nd 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: Biannually the 3rd 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: 1st 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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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

SUBJECT: Award A Construction Contract to Griffith Construction Company To Pave The Dirt Road on North Warner Street Between Drummond Avenue to West Howell Avenue in the Amount of Two Hundred Two Thousand Two Hundred Two Dollars (\$202,202.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract

PRESENTED BY:

Dennis Speer, Public Work Director

SUMMARY:

On Wednesday June 26, 2016 bids were opened to pave the dirt road on North Warner Street Between Drummond Avenue to West Howell Avenue. A total of one bid was received as follows:

<u>Bidder</u>	<u>Bid</u>
Griffith Construction Co.	\$202,202.00

The bid was reviewed by the engineering firm of Quad Knopf Engineering and the Resident Engineer, Greg Thompson. Based on this review, it is recommended that the contract be awarded to the lowest responsible and responsive bidder, Griffith Construction Company with the low bid of Two Hundred Two Thousand Two Hundred Two Dollars (\$202,202.00).

A purchase order will be issued to Griffith Construction Company in the total amount of Two Hundred Two Thousand Two Hundred and Two Dollars (\$202,202.00) to pave the dirt road on North Warner Street Between Drummond Avenue to West Howell Avenue. An amount of Ten Thousand One Hundred Ten Dollars and Ten Cents (\$10,110.10) or five percent (5%) is needed for contingencies. The contingency has already been allocated to this project.

Staff is recommending that the funds for this project come from the street allocation funds from the Tax Allocation Bonds. The amount of funds needed is Two Hundred Two Thousand Two Hundred Two Dollars (\$202,202.00).

Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601 project ST15-01.

FISCAL IMPACT: \$202,202.00

Reviewed by Finance Director

ACTION REQUESTED: Adopt A Construction Contract to Griffith Construction Company To Pave The Dirt Road on North Warner Street Between Drummond Avenue to West Howell Avenue in the Amount of Two Hundred Two Thousand Two Hundred and Two Dollars (\$202,202.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: July 20, 2016

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RESOLUTION NO. 16-XX

A RESOLUTION AWARD A CONSTRUCTION CONTRACT TO GRIFFITH CONSTRUCTION COMPANY TO PAVE THE DIRT ROAD ON NORTH WARNER STREET BETWEEN DRUMMOND AVENUE TO WEST HOWELL AVENUE IN THE AMOUNT OF TWO HUNDRED TWO THOUSAND TWO HUNDRED TWO DOLLARS (\$202,202.00) AND AUTHORIZE THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE CONTRACT

WHEREAS, On Wednesday June 26, 2016 bids were opened to pave the dirt road on North Warner Street Between Drummond Avenue to West Howell Avenue; and

WHEREAS, A total of one bid was received and the results are follows:

<u>Bidder</u>	<u>Bid</u>
Griffith Construction Co.	\$202,202.00

WHEREAS, This bid was reviewed by the engineering firm Quad Knopf Engineering and Resident Engineer, Greg Thompson for a determination of the lowest responsible and responsive bidder with a bid of Two Hundred Two Thousand Two Hundred and Two Dollars (\$202,202.00); and

WHEREAS, A purchase order will be issued to Griffith Construction Company in a total amount of Two Hundred Two Thousand Two Hundred and Two Dollars (\$202,202.00) to pave the dirt road on North Warner Street Between Drummond Avenue to West Howell Avenue; and

WHEREAS, An amount of Ten Thousand One Hundred Ten Dollars and Ten Cents (\$10,110.10) or five percent (5%) is needed for contingencies; and

WHEREAS, The contingency has already been allocated to this project; and

WHEREAS, Staff is recommending that the funds for this project come from the street allocation funds from the Tax Allocation Bonds; and

WHEREAS, The amount of funds needed is Two Hundred Two Thousand Two Hundred and Two Dollars (\$202,202.00); and

WHEREAS, The funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601 project ST15-05.

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

1. Authorizes the award of the contract to Griffith Construction Company to pave the dirt road on North Warner Street Between Drummond Avenue to West Howell Avenue.
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 contract.

APPROVED AND ADOPTED this 20th day July 2016 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: Award A Construction Contract to Griffith Construction Company To Pave The Eastbound Graaf Avenue from North Sierra View to North Norma Street in the Amount of Two Hundred Four Thousand Four Hundred and Two Dollars (\$204,402.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract

PRESENTED BY:

Dennis Speer, Public Work Director

SUMMARY:

On Wednesday June 26, 2016 bids were opened to pave eastbound Graaf Avenue from North Sierra View to North Norma Street. A total of one bid was received as follows:

<u>Bidder</u>	<u>Bid</u>
Griffith Construction Co.	\$227,622.00

The bid was reviewed by the engineering firm of Quad Knopf Engineering and the Resident Engineer, Greg Thompson. Based on this review, it is recommended that the contract be awarded to the lowest responsible and responsive bidder, Griffith Construction Company with the low bid of Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00).

A purchase order will be issued to Griffith Construction Company in the total amount of Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00) to pave eastbound Graaf Avenue from North Sierra View to North Norma Street. An amount of Eleven Thousand Three Hundred Eighty-One Dollars and Ten Cents (\$11,381.10) or five percent (5%) is needed for contingencies. The contingency has already been allocated to this project.

Staff is recommending that the funds for this project come from the street allocation of Measure L Funds. The amount of funds needed is Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00).

Funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601 project ST15-05.

FISCAL IMPACT: \$204,402.00

Reviewed by Finance Director

ACTION REQUESTED: Award A Construction Contract to Griffith Construction Company To Pave Eastbound Graaf Avenue from North Sierra View to North Norma Street New in the Amount of Two Hundred Thousand Four Thousand Four Hundred and Two Dollars (\$204,402.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: July 20, 2016

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RESOLUTION NO. 16-XX

A RESOLUTION TO AWARD A CONSTRUCTION CONTRACT TO GRIFFITH CONSTRUCTION COMPANY TO PAVE THE EASTBOUND GRAAF AVENUE FROM NORTH SIERRA VIEW TO NORTH NORMA STREET IN THE AMOUNT OF TWO HUNDRED FOUR THOUSAND FOUR HUNDRED AND TWO DOLLARS (\$204,402.00) AND AUTHORIZING THE CITY MANAGER, DENNIS SPEER, TO EXECUTE THE CONTRACT

WHEREAS, On Wednesday June 26, 2016 bids were opened to pave the eastbound road of Graaf Avenue from North Sierra View to North Norma Street; and

WHEREAS, A total of one bid was received and the results are follows:

<u>Bidder</u>	<u>Bid</u>
Griffith Construction Co.	\$227,622.00

WHEREAS, This bid was reviewed by the engineering firm Quad Knopf Engineering and Resident Engineer, Greg Thompson for a determination of the lowest responsible and responsive bidder with a bid of Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00); and

WHEREAS, A purchase order will be issued to Griffith Construction Company in a total amount of Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00) to pave eastbound Graaf Avenue from North Sierra View to North Norma Street; and

WHEREAS, An amount of Eleven Thousand Three Hundred Eighty-One Dollars and Ten Cents (\$11,381.10) or five percent (5%) is needed for contingencies; and

WHEREAS, The contingency has already been allocated to this project; and

WHEREAS, Staff is recommending that the funds for this project come from the street allocation of Measure L Funds; and

WHEREAS, The amount of funds needed is Two Hundred Twenty-Seven Thousand Six Hundred and Twenty-Two Dollars (\$227,622.00); and

WHEREAS, The funding for the execution of the contract shall come from the capital improvement account 018-4760-430-4601 project ST15-01.

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

1. Authorizes the award of the contract to Griffith Construction Company to pave eastbound Graaf Avenue from North Sierra View to North Norma Street.
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 contract.

APPROVED AND ADOPTED this 20th day July 2016 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 For Change Order Number One To Add Ten Thousand Dollars (\$10,000.00) To The Contract Amount In The Professional Service Agreement With Quad Knopf Engineering, For (1) Additional Design And Engineering for Expanded Area, (2) Additional ADA Ramp Design, (3) Construction Easement Exhibits for Drive Approaches On The East Drummond Project

PRESENTED BY:

Dennis Speer, Public Works Director

SUMMARY:

Quad Knopf Engineering is currently under contract with the City of Ridgecrest to provide Preliminary Engineering Services for the East Drummond Project between North China Lake Boulevard and Chelsea Avenue. Quad Knopf Engineering has completed the scope of work for the original contract and has prepared one hundred percent (100%) complete plans and specifications. Quad Knopf Engineering has also worked with the City on issues that were outside the scope of work in the original contract.

Additional survey, design, engineering and drafting for additional subsidence area 450' South Easterly of Chelsea Ave. to the project are necessary along with new design of the existing ramps to meet ADA requirements along this region. Construction easements exhibits were needed for the drive approaches at the Kmart Center and the Ridgecrest Towne Center.

In order for the City to construct on private property, construction easements must be prepared and sent to property owners asking for permission to enter.

The City requested and received a proposal from Quad Knopf Engineering to perform the necessary additional professional services as Change Order Number One from the Original Contract on the East Drummond Project between North China Lake Boulevard and Chelsea Avenue.

The fees for these professional services are Ten Thousand Dollars (\$10,000.00).

Staff is recommending that the proposed fee be funded by the Measure L Funds. This fee will be expended from the capital improvement project line item 018-4760-430-2106 project ST16-06 and the funds will be added to the existing purchase order number 7654.

FISCAL IMPACT: \$10,000.00

Reviewed by Finance Director

ACTION REQUESTED: Adopt A Resolution For Change Order Number One To Add Ten Thousand Dollars (\$10,000.00) To The Contract Amount In The Professional Service Agreement With Quad Knopf Engineering, For (1) Additional Survey, Design, Engineering And Drafting for Expanded Area, (2) Additional ADA Ramp Design, (3) Construction Easement Exhibits for Drive Approaches On The East Drummond Project

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Loren E. Culp

Action Date: July 20, 2016

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RESOLUTION NO. 16-XX

ADOPT A RESOLUTION FOR CHANGE ORDER NUMBER ONE TO ADD TEN THOUSAND DOLLARS (\$10,000.00) TO THE CONTRACT AMOUNT IN THE PROFESSIONAL SERVICE AGREEMENT WITH QUAD KNOPF ENGINEERING, FOR (1) ADDITIONAL DESIGN AND ENGINEERING FOR EXPANDED AREA, (2) ADDITIONAL ADA RAMP DESIGN, (3) CONSTRUCTION EASEMENT EXHIBITS FOR DRIVE APPROACHES ON THE EAST DRUMMOND PROJECT

WHEREAS, Quad Knopf Engineering is currently under contract with the City of Ridgecrest to provide Preliminary Engineering Services for the East Drummond Project between North China Lake Boulevard and Chelsea Avenue; and

WHEREAS, Quad Knopf Engineering has completed the scope of work for the original contract and has prepared one hundred percent (100%) complete plans and specifications; and

WHEREAS, Quad Knopf Engineering has also worked with the City on issues that were outside the scope of work in the original contract; and

WHEREAS, Additional survey, design, engineering and drafting for additional subsidence area 450' South Easterly of Chelsea Ave., new design of the existing ramps to meet ADA requirements, construction easements exhibits were needed for the drive approaches at the Kmart Center and the Ridgecrest Towne Center; and

WHEREAS, The City has requested and received a proposal from Quad Knopf Engineering and will be accepting Change Order Number One to the Original Contract; and

WHEREAS, The sum of Ten Thousand Dollars (\$10,000.00) for the East Drummond Project between North China Lake Boulevard and 450' South Easterly of Chelsea Avenue will be funded by Measure L Funds; and

WHEREAS, This fee will be expended from the capital improvement project line item 018-4760-430-2106 project ST16-06 and the funds will be added to the existing purchase order number 7654.

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

1. Approves Change Order Number One to add Ten Thousand Dollars (\$10,000.00) to the contract amount in the Professional Services Agreement with Quad Knopf Engineering for additional work on the East Drummond Project between North China Lake Boulevard and the expanded area 450' South Easterly of Chelsea Avenue.

2. Authorizes the Finance Director to amend the budget to reflect all appropriate expenditures, revenue and transfer accounts.

APPROVED AND ADOPTED this 20th Day of July, 2016 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:

Proposed Action To Approve A Renewal Contract With York Risk Services For Third Party Administration Of The City Of Ridgecrest Workers Compensation Program

PRESENTED BY:

Rachel J. Ford – City Clerk

SUMMARY:

On June 21, 2006 the City Council authorized an application to the State of California Industrial Relations Board to be Self-Insured and to contract with Gregory Bragg & Associates for workers compensation claims administration services. Application was accepted and a Certificate of Self-Insurance was awarded by the State on July 1, 2006.

Gregory Bragg & Associates subsequently sold to York Risk Services Group and City has been operating under the original contract. In 2015, York requested modifications to the contract language and the attorneys have drafted a new contract which is now completed and presented before Council tonight for approval retroactive to July 1, 2015.

City of Ridgecrest purchases various excess insurance policies which are brokered through our membership in CSAC Excess Insurance Authority, a risk sharing pool of public agencies which operates under a Joint Powers Agreement. These policies cover all costs exceeding our established Self Insurance Retention (SIR) also known as deductible amount for each claim.

Action requested is to approve a revised contract and Amendment No. 1 with York Risk Services group for workers compensation claims administration services and authorize the City Manager to sign the contract and amendment.

FISCAL IMPACT:

\$42,500 budgeted in the Self-Insurance fund. No impact to General Fund.

Reviewed by Finance Director

ACTION REQUESTED:

Adopt a resolution approving a renewal contract and amendment No. 1 between the City of Ridgecrest and York Risk Services Group for workers compensation claims administration services.

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Submitted by: Rachel J. Ford
(Rev. 02/13/12)

Action Date: July 20, 2016

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RESOLUTION NO. 16-XX

A RESOLUTION OF THE RIDGECREST CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT AND AMENDMENT NO. 1 BETWEEN THE CITY OF RIDGECREST AND YORK RISK SERVICES GROUP

WHEREAS, the City of Ridgecrest is self-insured for purposes of Liability and Workers Compensation Claims, and;

WHEREAS, the City of Ridgecrest is a member of CSAC Excess Insurance Authority, a risk sharing pool of public agencies operating under a Joint Powers Agreement to broker insurance policies that defray the costs which exceed the City's Self Insurance Retention levels associated with Workers Compensation and Liability claims, and;

WHEREAS, York Risk Services Group has the expertise and professional experience to assist the City in managing its Workers' Compensation (WC) Claims.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is hereby authorized to finalize the Professional Services Agreement and Amendment No. 1 to the agreement with York Risk Services Group.

APPROVED AND ADOPTED this 20th day of July, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC
City Clerk

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**AGREEMENT FOR CLAIMS WORKERS' COMPENSATION/
MANAGED CARE ADMINISTRATION SERVICES**

This Agreement (the "Agreement") is effective as of the 1st day of July 2015 (the "Effective Date") between CITY OF RIDGECREST, ("PRINCIPAL"), a public entity, organized under the laws of California, having offices at 100 W. California Ave., Ridgecrest, CA 93555 and YORK RISK SERVICES GROUP, INC., ("YORK"), a New York corporation with its principal place of business at One Upper Pond Road, Bldg. F, 4th Floor, Parsippany, New Jersey 07054.

WHEREAS, PRINCIPAL desires to provide Claims Administration Services on claims arising out of PRINCIPAL'S self-insured workers' compensation program (the "Program") during the term of this Agreement; and

WHEREAS, YORK desires to be retained by PRINCIPAL pursuant to the terms and provisions of this Agreement to provide Claims Administration Services on claims arising out of the Program during the term of this Agreement; and

WHEREAS, YORK, by entering into this Agreement, shall be obligated to provide Claims Administration Services to PRINCIPAL on the terms and conditions set forth herein;

NOW THEREFORE, for and in consideration of the promises set forth hereinabove, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, YORK and PRINCIPAL agree as follows:

I. DEFINITIONS

- A. "PRINCIPAL" shall mean City of Ridgecrest.
- B. "CLAIMS ADMINISTRATION SERVICES" shall include the administration, adjustment, management, and oversight of claims arising out of PRINCIPAL'S self-insured workers' compensation program.

CLAIMS ADMINISTRATION SERVICES shall also include, but not limited to, the following services:

1. Providing supervision of the loss adjustment process;
2. Determining and implementing appropriate claims practices to adjust assigned claims in accordance with YORK'S established practices;
3. Adhering to high standards of professional conduct;

4. Adjusting and managing assigned claims to assure that PRINCIPAL and claimants receive high quality service;
5. Establishing, monitoring and timely revisions of case reserves;
6. Settling claims within the applicable coverage terms and conditions;
7. Maintaining current knowledge of applicable adjustment practices and procedures, local practices, applicable insurance coverage, court decisions, current guidelines in the claims function, and Program changes and modifications (as advised by PRINCIPAL);
8. Assisting in the preparation of claims for suit, hearing, trial, or subrogation as appropriate;
9. Acting as PRINCIPAL'S liaison with medical personnel, first notice of loss reporting services and defense counsel;
10. Reviewing bills of service providers;
11. Preparing and submitting status and administrative reports in accordance with YORK's established practices;
12. Preserving subrogation rights and overseeing subrogation recovery.
13. Managed care services.

C. "CLAIMS" shall mean claims, arising under the Program and which are referred to YORK for adjusting during the term of this Agreement.

D. "INFORMATION" or "CONFIDENTIAL INFORMATION" shall mean documentation, data or information relevant to PRINCIPAL or claimant that is created by YORK or that comes into its possession as a result of the rendering of services by YORK to PRINCIPAL, pursuant to the Agreement.

E. "CONFIDENTIAL INFORMATION" is information not publicly available and includes, without limitation, the work product, investigation materials, trial preparation materials including but not limited to opinions and mental impressions of YORK personnel, communications with defense and coverage counsel and non-public personal information of insureds.

F. "LOSS ADJUSTMENT EXPENSE" shall mean, in addition to fees to be paid in accordance with items listed or inferred herein Agreement, all reasonable expenses necessary to the adjustment of a claim in accordance with this Agreement, including but not limited to, legal fees, court costs and fees for court reporters, expert witnesses, investigation, photocopies, subpoenas, photographs, maps, accounting, chemical or physical analysis, independent medical exams or other evaluations, depositions, appraisal fees and expenses, bill review, utilization review and any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation,

settlement or defense of a claim or loss or subrogation actions. YORK may, but need not, elect to utilize its own staff to perform these services.

G. "MANAGED CARE SERVICES" shall mean the administration and deployment of cost containment measures offered through WellComp Managed Care Services, Inc. York affiliates that serve to reduce the overall risk of claims while maintaining compliance with Labor Code and Regulatory oversight. The suite of services offered are the following: medical bill review, utilization review, Medical Provider network, case management, Medicare secondary payor compliance services, lien resolution and ancillary services supporting the overall integrated managed care effort. Services provided will be detailed in Section VII. Compensation.

H. "SYSTEMS" shall mean severally or collectively, YORK's proprietary claims handling system.

II. TERM OF AGREEMENT

The term of this Agreement shall commence on July 1, 2015 and shall continue until and through June 30, 2016 (the "TERM"). This Agreement will be deemed extended to cover each additional claim that PRINCIPAL refers to YORK after the end of the aforesaid period (subject to the extensions as aforesaid) and which YORK accepts for handling.

III. CLAIMS ADMINISTRATION SERVICES (the "Services")

PRINCIPAL hereby retains YORK to provide Claims Administration Services, as set forth in this Agreement, including any Exhibits attached hereto, for the Claims that arise out of PRINCIPAL'S self-insured workers compensation program and that are assigned by PRINCIPAL to YORK.

A. The Services to be rendered by YORK shall be in conformance with the requirements and provisions of this Agreement together with all applicable rules, orders, and interpretations issued by the applicable regulatory authorities as of the date hereof.

B. YORK acknowledges its obligation to comply with all applicable statutes and any rules or regulations of the applicable regulatory authorities.

C. York shall perform Claims Administration Services for each Claim assigned to it hereunder during the life of the contract. Any requested subsequent handling shall require new "run-off" contract and all managed care services shall remain with claim.

D. YORK acknowledges that execution of this Agreement does not guarantee that YORK will be assigned any particular number of Claims by PRINCIPAL.

IV. DUTIES OF YORK

A. YORK shall maintain sufficient staff with the necessary experience and management oversight. Adjusters assigned to Claims shall have a case load that allows proper attention to the work.

B. To the extent required by law, YORK shall utilize only licensed adjusters and licensed private investigators, where applicable and such adjusters and investigators shall in the rendering of their services conform to the provisions of all applicable laws, rules, orders or written interpretations issued by the applicable regulatory authorities.

C. YORK shall investigate, evaluate, negotiate, settle, or deny Claims within the standing authority granted to YORK from time to time by PRINCIPAL. YORK may settle Claims in excess of its standing authority limits only with prior written approval of PRINCIPAL shall, in writing, promptly grant or deny upon YORK's request for authority.

D. Upon termination of this Agreement, all hard copy and electronic files shall be transferred to PRINCIPAL at PRINCIPAL'S expense.

E. YORK acknowledges that all of the Claims files in its possession are the property of PRINCIPAL and agrees to promptly provide access to or deliver any such file to PRINCIPAL, at PRINCIPAL'S expense, at any time upon PRINCIPAL'S request. In exchange for PRINCIPAL'S absolute right to obtain the Claims files, PRINCIPAL agrees that it shall not have the right to set off any sums claimed due from YORK against fees due YORK under this Agreement.

F. YORK expressly agrees to hold all funds and assets of PRINCIPAL that come into its control or possession during the term of this Agreement as a fiduciary of PRINCIPAL.

G. YORK shall make available, through YORK'S proprietary claims system, claim-related data with "web-enabled" access. PRINCIPAL will have "view only" access to the system. PRINCIPAL will bear its own hardware, software, connection and similar costs for accessing YORK'S electronic claims management system.

H. During the TERM of this Agreement and at all times that there are open Claims being handled by YORK, YORK shall fully cooperate with PRINCIPAL.

I. During the Term of this Agreement and thereafter until all Claims assigned hereunder are closed, YORK agrees to:

(1) Maintain in force a fidelity bond or equivalent insurance, such as Third Party Crime insurance, for the protection of PRINCIPAL, at a limit not less than one million dollars (\$1,000,000), to cover the risk of loss due to the wrongful conversion of any funds and assets of PRINCIPAL by YORK or its employees or independent contractors during the term of this Agreement. York shall maintain said bond or insurance for a period of two (2) years after the expiration of this Agreement;

(2) Maintain in force an errors and omissions policy, at a limit not less than one million dollars (\$1,000,000) per occurrence and to maintain coverage for a period of at least two (2) years after the expiration of the last contract with PRINCIPAL, or if the errors and omissions coverage is claims-made, YORK agrees that, for said two (2) year period, the “retro” date will not be later than the inception date of this Agreement;

(3) Maintain in force a general liability policy, which names PRINCIPAL as an Additional Insured and which provides limits not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) aggregate and two million dollars (\$2,000,000) products/completed operations aggregate;

(4) Maintain in force a workers’ compensation and employers liability policy, which provides coverage to employees of YORK at limits not less than one million dollars (\$1,000,000);

(5) Maintain in force an automobile liability policy, which names PRINCIPAL as an additional insured and which provides a limit of no less than one million dollars (\$1,000,000);

(6) Provide that the aforementioned policies contain a waiver of subrogation in favor of PRINCIPAL.

J. YORK shall notify PRINCIPAL’S insurer of all claims which may affect the insurer’s coverage in excess of PRINCIPAL’S Self-Insured Retention layer in accordance with the instructions of PRINCIPAL’S insurer as provided to YORK pursuant to Section V. (A) of this Agreement.

K. Notwithstanding anything to the contrary contained herein, and to the extent applicable, YORK agrees to comply with all obligations imposed upon it by law.

V. DUTIES OF PRINCIPAL

A. PRINCIPAL shall promptly provide YORK with such information as YORK may require, including, but not limited to, any copy of documents describing its self-

insured workers' compensation program, and all amendments thereto including but not limited to documents submitted to any governmental tribunals for approval of the Program, as well as incident reports and information related thereto in PRINCIPAL'S possession and otherwise cooperate with YORK in carrying out YORK'S tasks hereunder.

B. Upon receipt of loss notices, PRINCIPAL shall promptly assign the loss to YORK.

C. PRINCIPAL shall promptly make funds available for Claim and Loss Adjustment expense payments with respect to claims referred to YORK and respond to YORK'S requests to issue checks in payment of Claims and such checks shall be distributed in accordance with PRINCIPAL'S Claims processing procedures. Alternatively, PRINCIPAL may direct that YORK open and maintain an escrow account to pay Claims and Loss Adjustment Expenses with Funds provided by PRINCIPAL as required for that purpose. All bank charges associated with these accounts shall be borne by PRINCIPAL. Any interest earned on funds in such accounts may be used by YORK to defray administrative expenses.

D. PRINCIPAL shall provide YORK with training materials, along with initial and subsequent training on PRINCIPAL'S forms and other documents affecting PRINCIPAL'S obligations which are provided to YORK and any written interpretation thereof issued by PRINCIPAL or any applicable regulatory body. During the term of this Agreement and at all times that there are open Claims being handled by YORK, PRINCIPAL shall fully cooperate with YORK.

E. PRINCIPAL covenants and agrees that PRINCIPAL, its employees, agents or independent contractors, will not misuse the information contained within the Claims files. PRINCIPAL further covenants and agrees to maintain the confidentiality of the information contained within the Claims files, as required by applicable State and Federal law and regulations.

VI. SYSTEMS AND DATA PROCESSING

A. Although YORK authorizes PRINCIPAL to use or have access to its Systems in performance of Claims Administration Services enumerated in this Agreement, this does not license YORK'S system to PRINCIPAL nor shall PRINCIPAL have intellectual property rights to the Systems, or additions YORK makes to its Systems during and/or in the course of YORK'S performance under this Agreement, whether or not such improvements or additions were made at the suggestions, request or direction of PRINCIPAL. Notwithstanding the foregoing, the data entered or maintained thereon pursuant to this Agreement is the property of PRINCIPAL.

B. This Agreement grants to the PRINCIPAL no right to possess or reproduce all or any part of the Systems used, owned or controlled by YORK performing all or any part of Claims Administration Services and PRINCIPAL covenants that it shall not do so.

C. YORK expressly agrees that claim-related data generated and/or maintained in connection with this Agreement or any Exhibit hereto shall be and remain the sole property of PRINCIPAL and YORK shall have no right, title, or interest in such data other than such rights necessary to perform Claim Administration Services.

VII. COMPENSATION

A. YORK shall be entitled to receive and PRINCIPAL shall be obligated to pay only such fees, allowances, costs, reimbursements, or other compensation as are specified as follows:

PRINCIPAL shall pay YORK the following compensation:

Claims Services

York will provide claims handling at the following rates:

FEES	
LINE OF BUSINESS	FEES
Workers' Compensation	\$40,500 – <i>Administrative Service Fee</i> \$2,000 – <i>Client Service Fee</i>

Access to York's system is provided at no additional charge.

Standard Monthly Reporting is provided at no additional charge.

Workers' Compensation Definitions:

- Indemnity Claim: Any claim resulting in lost time, litigation, serious injury, fractures, severe burns, cumulative trauma, chemical exposure, subrogation, or death.
- Medical Only: Claims for minor injuries with no lost time, no litigation and that are expected to resolve in less than six months with medical treatment, and with no potential for subrogation recovery. Jurisdictional requirements will always take precedent. Medical only files automatically convert to an indemnity file at 6 months and/or reach \$3500 in paid medical expenses.

- Record Only: The recording in York's system of an incident that at some point in the future may have the potential to develop into a claim. Record Only claims will be identified as such upon presentation to York and will have no adjuster/examiner involvement. Subsequent adjuster/examiner involvement will result in the "Record Only" becoming reclassified and billed as a Claim.

General Fees, Services, Terms and Conditions

- Pricing for each subsequent year of a multi-year contract will be subject to the greater of 3% or the percentage increase as reported by the U.S. Department of Labor – Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract.
- Data download/export at \$250.00 per transmission, whether magnetic tape, diskette, or electronic medium.
- York provides a wide range of expert safety and loss control consulting services, and will work with City of Ridgecrest to customize a loss control or safety program that is tailored to City of Ridgecrest's needs. York will prepare a statement of work outlining the services and estimated fees prior to the commencement of any loss control or safety services. The fees for loss control and safety services are determined based on the complexity of the services provided.
- Subrogation: York's fee per feature pricing includes placing responsible parties on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, etc.
- York's proposed fees will remain in effect for 90 days from the date of this proposal.
- Outside Activity/Field Investigations will be billed at time and expense.
- Billing: York will issue an electronic invoice monthly, via e-mail. Payments shall be due and payable no later than thirty days from the invoice date.
- This proposal contemplates that York will be entering into a direct contract with City of Ridgecrest. Should York be required to contract with any other party, different terms may apply.
 - City of Ridgecrest will have the right to direct that the services York performs be rendered in a particular or different way or additional services be provided. If such direction increases York's cost of providing the services, York shall be entitled to an equitable adjustment in its compensation.
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be paid in one of three ways:

- City of Ridgecrest may elect to fund an escrow account established and maintained by York. In this case, City of Ridgecrest will need to maintain three months anticipated funds on hand. York will electronically provide a monthly recap of all loss and ALAE payments. City of Ridgecrest will be responsible for bank fees with respect to the account.
- With our Draft option, City of Ridgecrest may also elect to have York notify it of check amounts and payees required to satisfy Allocated Loss Expenses and Settlements. City of Ridgecrest will be required to send York the requested checks for recording and distribution.
- City of Ridgecrest may elect to provide York with the specifications for an employer-owned and maintained account to be utilized by York to issue all loss and ALAE payments. City of Ridgecrest may provide York with the signature of an authorized City of Ridgecrest representative to print digitally on the checks. City of Ridgecrest will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of City of Ridgecrest. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses

- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Services performed outside York's normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Client
- Any other extraordinary services performed by York at Client's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Client.

York may, but need not, elect to utilize its own staff to perform these services. Associated fees and costs will be charged as ALAE.

Managed Care Fees:

DETAIL	FEE
MEDICAL BILL REVIEW – WORKERS COMPENSATION & AUTO LIABILITY PIP CLAIMS	
Fee Per Bill – All States	\$10.50 per Bill
For CA, FL, OR, TX	Add \$1.75 per Bill State Reporting Fees
PPO Network & Out of Network Savings	23%
Enhanced Savings	23%
CERTIFIED NETWORKS	
California Medical Provider Network (WellComp MPN)	
Savings below Fee Schedule	23%
<i>Per Claim Charge is in Addition to Bill Review Fees Outlined Above Per Bill Fees also Available on a Case-by-case Basis</i>	
Texas Certified HCN (Compkey Plus)	\$10.50 per Bill (Includes Network Access & Savings)
Enhanced Savings	23%
<i>Per Bill Charge is in Addition to Bill Review Fees Outlined Above</i>	
CASE MANAGEMENT	
All States	
Nurse Case Management	\$98.00 per Hour
Telephonic Case Management	\$98.00 per Hour

Files Closed within 1-30 days	\$355.00 per case
Files Closed within 31-60 days	Additional \$275.00 per case
Files Closed within 61-90 days	Additional \$215.00 per case
Files open greater than 91 days	\$98.00 per Hour
Field Case Management	\$98.00 per Hour, Plus Mileage (IRS Reimbursement Rate & Expenses)
Life Care Plan	\$150.00 per Hour
UTILIZATION REVIEW / CERTIFICATION	
All States (Excluding California & Massachusetts)	
Procedure Rate per Review	\$125.00
Physician Review	\$140.00
Appeal Reviews	\$150.00
California and Massachusetts	
Procedure Rate per Review	\$145.00
Physician Review	\$250.00
Appeal Reviews	\$345.00
PEER REVIEW	
All States Peer Review – Depending on Specialty	\$195.00 - \$395.00 per Hour

Managed Care Fees (continued):

MEDICARE SECONDARY PAYER SERVICES (MSA)	
All States	
Standard MSA	\$3,500.00
Complex/Catastrophic MSA	\$5,000.00
Medical Cost Projections	\$1,200.00
Rush Report (Less than 10 days)	\$500.00
MSA Submission	\$500.00
Updated and Follow-up MSA	\$125.00 per Hour
Final Settlement Document Submission	\$50.00
SSA / SSDI Checks Eligibility	\$125.00 per Hour
Medicare Check	\$50.00
Conditional Payment Request	\$150.00
Conditional Payment Resolution	\$125.00 - \$500.00

PHARMACY	
Retail Rates	

Brand	AWP-12%+\$5.75
Generic	AWP-24% +\$5.75
Mail Order	
Brand	AWP-14%+\$4.75
Generic	AWP-28%+\$4.75

Pharmacy services are inclusive of the following

- Negotiated rates for all prescriptions filled (lesser of PBM rates or fee schedule)
- Guaranteed First Fill program and EBM formulary and customized formulary management
- Drug utilization reviews for quantity/duration and compliance with the pre-established formulary
- Enhanced oversight of pharmaceutical treatment / drug interaction reviews with other medications in the injured worker's file
- Integration with Third Party Billers billed at PBM rates
- Integration with office dispensing PBM billed at PBM rates
- Enhanced managed care savings through coordination with existing cost-containment measures. These measures help expedite the medication approval and move the file along
- Pharmacist review

B. PRINCIPAL shall pay YORK fees due under VII. A of this Agreement no later than thirty (30) days after PRINCIPAL'S receipt of YORK'S invoice as rendered from time to time. Timely payment is an express condition of YORK'S obligations hereunder.

C. Changes to Scope of Services Effect on Compensation for Basic Contractual Services. PRINCIPAL may at any time, upon a minimum of 60 days written notice, modify the scope of basic contractual services to be provided under this Agreement. YORK shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify PRINCIPAL in writing. Upon agreement between PRINCIPAL and YORK as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of an amendment by PRINCIPAL and YORK shall include a firm date of change and will constitute the YORK's notice to proceed with the changed scope.

VIII. AUDIT

A. YORK shall maintain books, records, reports and other documents, in electronic or other format reasonably acceptable to PRINCIPAL relating to its Claims Administration Services performed under this Agreement. All such records and

documents pertaining to Claims and the services rendered by York shall be the property of PRINCIPAL and be open for inspection, audit and copying, at PRINCIPAL'S expense, by PRINCIPAL and its agents or their representatives during all regular business hours with reasonable prior notice to YORK. YORK shall cooperate fully with all such agents or other representatives of PRINCIPAL during audits or examinations conducted by PRINCIPAL or its agents. Auditors shall sign a nondisclosure/ confidentiality agreement provided by YORK.

B. The contractor agrees to the disclosure of all information and reports resulting from access to the records pursuant to the subsection above. Where the audit concerns a contractor, the auditing agency will afford YORK an opportunity for an audit exit conference and an opportunity to comment on the pertinent portions of the draft audit report. The final audit report will include written comments, if any, of the audited parties.

C. At any time during the Term of this Agreement, or thereafter, provided PRINCIPAL is not in default under this Agreement, PRINCIPAL may conduct, or cause to have conducted, an audit of YORK'S operations to determine whether YORK has performed its obligations hereunder in compliance with this Agreement.

D. Audits pursuant to this Section VIII shall be conducted in a manner that does not interfere with YORK'S daily operations.

IX. CONFIDENTIALITY

A. Both parties hereto acknowledge and agree that PRINCIPAL'S information, data and documentation, including but not limited to, non-public and personal information subject to the provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. Subchapter 1, Sections 6801-6809 et. Seq., personal health information under the Health Insurance Portability and Accountability Act 42 U.S.C. 1301 et. seq., and further including, without limitation, all information, data and documentation related to manuals, lists, policyholder information, operating and other systems, business practices and procedures, any information regarding insureds insurance policies, claimants, and Claims, any business, governmental or regulatory matters of PRINCIPAL, and other information furnished to or obtained by YORK, pursuant to or in connection with this Agreement or in connection with the Services to be rendered, may be confidential ("Confidential Information"). YORK shall not divulge, disclose or use the Confidential Information except for purposes of this Agreement, or as may be expressly agreed in writing by the parties, or as may otherwise be required or directed by applicable law or judicial process. This Section IX shall survive the termination of this Agreement, regardless of the reason for termination.

B. During the Term of this Agreement, and after its termination for any reason, PRINCIPAL shall have the right to request in writing and receive from YORK either: (i) the immediate return or (ii) confirmation of the immediate destruction of any tangible records, documents, e-mails, computer files, CDs, disks, and any other tangible item that contains, represents, or otherwise includes any Confidential Information of PRINCIPAL. In addition, PRINCIPAL shall have the right, during the Term of this Agreement and after its termination, to request that YORK permanently delete and destroy any Confidential Information contained in any computers, hard drives, servers or other data storage systems of YORK. YORK agrees that PRINCIPAL may seek an injunction by a court of competent jurisdiction enjoining YORK from violating any terms of this Agreement or the confidentiality and non-use provisions of this Section IX. Injunctive relief shall be in addition to any other remedies that PRINCIPAL may have under the law. Notwithstanding the foregoing, YORK may retain a record copy of Claims files and the data therein, for accounting, insurance and similar purposes. YORK shall secure said record copy against improper use or disclosure.

C. YORK acknowledges and agrees that any Confidential Information disclosed to, or acquired by it is disclosed and/or acquired solely for the purposes of facilitating the provision of the services to be rendered by YORK for and on behalf of PRINCIPAL. YORK shall be solely responsible for informing its employees, officers and directors of the provisions of the Section and for any acts of its employees, officers or directors that violate the provisions of the Section.

D. Notwithstanding the foregoing, PRINCIPAL agrees that information used for adjusting claims is not subject to statutory or regulatory restrictions against disclosure for that purpose.

X. INDEMNIFICATION

A. Each party shall only indemnify the other if they commit a breach, wrongful act or omission or negligence which causes damage.

B. The above defense, indemnification and hold harmless undertakings shall survive the termination of this Agreement.

C. PRINCIPAL acknowledges that YORK has been engaged to provide professional services and that it is not the intent of the parties that YORK assumes any insurance risk. The parties agree that the foregoing defense, indemnification and hold harmless undertakings represent a reasonable allocation of commercial risk between parties.

XI. BREACH AND TERMINATION

A. If a material breach by either party of this Agreement occurs, the non-breaching party shall identify the breach by delivery of written notice thereof to the breaching party.

B. Upon delivery of written notification of breach, the breaching party shall have a period of fifteen (15) business days or an agreed upon date made within the fifteen (15) business days within which time the breaching party shall cure the breach. Should the breaching party fail to fully cure the breach within the designated time frame, the non-breaching party may terminate this Agreement by delivery of thirty (30) days written notice of termination to the breaching party. Any notice of breach or termination shall be delivered pursuant to Section XII. A hereto.

C. This Agreement may be terminated by a party without the necessity of any notice or right to cure, upon the occurrence of any of the following events:

(1) The expiration of the Term set forth in Section II or any renewal thereof;

(2) The commencement of bankruptcy, insolvency or conservatorship proceedings by the other party, or, if such proceedings are brought against the other party, the other party's failure to have such proceedings dismissed within 45 days.

D. Either party may, without reason, terminate this Agreement with at least sixty (60) days prior written notice to the other party.

E. YORK may terminate this Agreement and discontinue Services immediately upon notice to PRINCIPAL, if PRINCIPAL fails to maintain sufficient balances in the escrow account to properly and adequately fund daily maintenance and indemnity needs, as well as settlement of Claims and any Loss Adjustment Expense. At no time shall YORK be liable or obligated to make any payments, out of YORK'S own funds, of any type or character on behalf of PRINCIPAL, including benefits PRINCIPAL is legally required to provide to its employees.

XII. EQUITABLE ADJUSTMENT

A. PRINCIPAL shall have the right to direct YORK to perform additional services or to perform services in a specific or different way.

B. This Agreement contemplates that the standards applicable to this Agreement are those in effect on the date of this Agreement, whether such standards are set forth in statutes, regulations, rules, orders, case laws or otherwise.

C. In the event of a directive from PRINCIPAL as set forth in Section XII. A or a change in a standard as set forth in Section XII B., YORK shall be entitled to an equitable adjustment in its compensation if such directive or change increases YORK'S cost of providing the services YORK renders under this Agreement.

XIII. GENERAL

A. YORK shall not be liable or deemed to be in default for any delay or failure in performance under this Agreement or any Exhibit of this Agreement, or any interruption of Claims Administration Services resulting, directly or indirectly, from acts of God, civil or military authority, or any similar cause beyond the reasonable control of YORK for as long as such condition exists. YORK shall give immediate notice to PRINCIPAL of any delay or failure in performance or of any interruption of Claims Administration Services that has or may occur as soon as YORK becomes aware of such events.

B. If any dispute or claim arises hereunder that the parties are not able to resolve amicably, the parties agree and stipulate that such litigation shall be resolved in the Superior Court in the State of California. In the event of a dispute between the parties resulting in litigation, the prevailing party may, in addition to any other relief obtained, recover its court costs and reasonable attorney's fees.

C. All notices which are required to be given or submitted pursuant of this Agreement shall be in writing and shall be transmitted or delivered by certified mail, return receipt requested or by a commercial overnight delivery service to the parties at the addresses set forth below, or to such other addresses as a party may, by notice, specify:

Notices to YORK shall be delivered to the following:

York Risk Services Group, Inc.
333 City Boulevard West, Suite 1500
Orange, CA 92868
Attention: Jody A. Moses, SVP

York Risk Services Group, Inc.
One Upper Pond Rd., Bldg. F, 4th Floor
Parsippany, New Jersey 07054
Attn: Michael Krawitz, General Counsel, SVP

Notices to PRINCIPAL shall be delivered to the following:

CITY OF RIDGECREST
100 W. California Ave.
Ridgecrest, CA
Attention: _____

D. This Agreement and any Exhibit or Schedule made a part hereof constitute the entire Agreement between the parties and supersedes and merges any and all prior discussions, representations, negotiations, correspondence, writing, and other agreements and together states the entire understanding and agreement between PRINCIPAL and YORK with respect to Claims Administration Services to be provided hereunder. Except for unilateral changes made by the PRINCIPAL pursuant to Section XII, for which YORK shall, be entitled to an equitable adjustment in its compensation this Agreement may be amended or modified only in writing if agreed to and signed by PRINCIPAL and YORK and shall be construed, performed and enforced in all respects in accordance with the laws of the State of California.

E. No party hereto shall be deemed to have waived any rights or remedies accruing to it hereunder unless such waiver is in writing and signed by such party. No delay or omission by either party hereto in exercising any right shall operate as a waiver of said right on any future occasion. All rights and remedies hereunder shall be cumulative and may be exercised singularly or concurrently.

F. The descriptive headings of this Agreement are intended for reference only and shall not affect the construction or interpretation of this Agreement.

G. Wherever the singular of any term is used herein it shall be deemed to include the plural wherever the plural thereof may be applicable.

H. No party may assign its rights or obligations under this Agreement; provided, however, that YORK may subcontract all or part of the Services required hereunder with PRINCIPAL'S written consent, (which consent shall not be unreasonably delayed or withheld) and may at its discretion delegate to a subsidiary such of its duties as it deems appropriate, provided that such subcontracting or delegation shall not relieve YORK of any of its obligations hereunder.

I. It is expressly understood and agreed that the relationship of YORK to PRINCIPAL shall be that of an independent contractor at all times, and nothing herein shall constitute either the YORK or PRINCIPAL as the partner, agent, or legal representative of the other, for any purpose whatsoever, except to the extent that YORK is the agent of PRINCIPAL for the purpose of adjusting claims. YORK shall have no right or authority to bind or obligate PRINCIPAL with respect to any matter that is not specifically provided for in this Agreement without the prior approval of PRINCIPAL. All employees or agents of YORK performing duties hereunder for YOUR shall be solely and exclusively under the direction and control of YORK and shall not be deemed employees of PRINCIPAL.

J. Nothing in this Agreement is intended to require YORK to engage in the practice of law.

K. PRINCIPAL shall not utilize YORK'S trade names, logos, trademarks, service marks or other identification in any press release, advertisement, marketing materials, promotional literature, article, presentation or other type of communication without the prior written consent of YORK, which consent may be withheld or denied in YORK'S sole discretion.

L. PRINCIPAL shall not hire any employee of YORK or induce any employee of YORK to terminate his or her employment (or encourage, and aid or abet any third party to do the same) at any time during which this Agreement or any extension or renewal thereof is in effect and for a period of twelve (12) months thereafter. PRINCIPAL agrees and acknowledges that YORK has invested time and resources in training its personnel and familiarizing them with PRINCIPAL'S account and that YORK will suffer harm, the extent of which is difficult to quantify, should PRINCIPAL directly or indirectly cause YORK'S employee to terminate their employment with YORK. Therefore, in the event that PRINCIPAL violates this provision, PRINCIPAL shall be liable to YORK for liquidated damages in a sum equal to the employee's salary for two (2) years based on the employee's salary over the two (2) months prior to the termination of that employee's employment with YORK. Notwithstanding the foregoing for purposes of this paragraph "YORK'S employee" shall mean an employee of YORK who has adjusted claims of PRINCIPAL pursuant to YORK'S work for PRINCIPAL under the Agreement.

IN WITNESS WHEREOF, the parties hereto have read and signed this Agreement as dated below and the Agreement is effective as of July 1, 2015.

YORK RISK SERVICES GROUP, INC.

CITY OF RIDGECREST

BY: _____

BY: _____

Jody A. Moses

Printed Name: _____

Senior Vice President

Printed Title: _____

Date: _____

Date: _____

**FIRST AMENDMENT
TO THE AGREEMENT FOR CLAIMS WORKERS' COMPENSATION /
MANAGED CARE ADMINISTRATION SERVICES**

This First Amendment to that certain Agreement for Claims Workers' Compensation / Managed Care Administration Services dated as of July 1, 2015 (the "Agreement") by and between CITY OF RIDGECREST ("Client") and YORK RISK SERVICES GROUP, INC. ("York").

WITNESSETH

WHEREAS, York Risk Services Group, Inc. has moved to a new corporate office and herein provides notice of the address change for purposes of Client providing any notice to York as required by the Agreement;

WHEREAS, the parties wish to extend the term of their Agreement; and

WHEREAS, the parties wish to amend the fee schedule of this Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section II entitled "TERM OF AGREEMENT" shall be revised to include the following:
"This term of this Agreement has been extended from July 1, 2016 through June 30, 2017."
2. Effective July 1, 2016, the provisions set forth in Section VII entitled "COMPENSATION" shall no longer apply. From and after such date, the provisions set forth in the attached Exhibit A shall apply instead.
3. The Agreement is hereby revised so that any notice to York shall be sufficient if sent via certified or express mail (with capacity to demonstrate receipt) and addressed to:

York Risk Services Group, Inc.
Attn: Jody A. Moses, Senior Vice President
333 City Boulevard West, S. 1500
Orange, CA 92868

With a copy to:

Office of the General Counsel
York Risk Services Group, Inc.
One Upper Pond Rd.
Building F, 4th Floor
Parsippany, NJ 07054

4. Except as noted above, the Agreement shall remain unchanged.

In Witness Whereof, the parties have executed this amendment to be effective as of July 1, 2016.

CITY OF RIDGECREST

YORK RISK SERVICES GROUP, INC.

By: _____

By: _____

Name: _____

Jody A. Moses
Senior Vice President

Title: _____

EXHIBIT A
YORK'S RENEWAL FEE PROPOSAL

FOR

CITY OF RIDGECREST

Renewal Term: 07/01/2016 through 06/30/2017

Claims Services

York will provide claims handling at the following rates:

LINE OF BUSINESS	FEES
Workers' Compensation	\$40,500.00 – <i>Administrative Service Fee</i> \$2,000.00 - <i>Client Service Fee</i>

Access to York's system is provided at no additional charge.

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General Fees, Services, Terms and Conditions

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- Data download/export at \$250.00 per transmission, whether magnetic tape, diskette, or electronic medium.

- York provides a wide range of expert safety and loss control consulting services, and will work with City of Ridgecrest to customize a loss control or safety program that is tailored to City of Ridgecrest's needs. York will prepare a statement of work outlining the services and estimated fees prior to the commencement of any loss control or safety services. The fees for loss control and safety services are determined based on the complexity of the services provided.
- Subrogation: York's fee per feature pricing includes placing responsible parties on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, etc.
- York's proposed fees will remain in effect for 90 days from the date of this proposal.
- Outside Activity/Field Investigations will be billed at time and expense.
- Billing: York will issue an electronic invoice monthly, via e-mail. Payments shall be due and payable no later than thirty days from the invoice date.
- This proposal contemplates that York will be entering into a direct contract with City of Ridgecrest. Should York be required to contract with any other party, different terms may apply.
- City of Ridgecrest will have the right to direct that the services York performs be rendered in a particular or different way or additional services be provided. If such direction increases York's cost of providing the services, York shall be entitled to an equitable adjustment in its compensation.
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be paid in one of three ways:
 - City of Ridgecrest may elect to fund an escrow account established and maintained by York. In this case, City of Ridgecrest will need to maintain three months anticipated funds on hand. York will electronically provide a monthly recap of all loss and ALAE payments. City of Ridgecrest will be responsible for bank fees with respect to the account.
 - With our Draft option, City of Ridgecrest may also elect to have York notify it of check amounts and payees required to satisfy Allocated Loss Expenses and Settlements. City of Ridgecrest will be required to send York the requested checks for recording and distribution.
 - City of Ridgecrest may elect to provide York with the specifications for an employer-owned and maintained account to be utilized by York to issue all loss and ALAE payments. City of Ridgecrest may provide York with the signature of an authorized City of Ridgecrest representative to print digitally on the checks. City of Ridgecrest will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of City of Ridgecrest. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives

- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Services performed outside York's normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Client
- Any other extraordinary services performed by York at Client's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Client.

York may, but need not, elect to utilize its own staff to perform these services. Associated fees and costs will be charged as ALAE.

Managed Care Fees:

DETAIL	FEE
MEDICAL BILL REVIEW – WORKERS COMPENSATION	
Fee Per Bill – All States	\$10.50 per Bill
For California	Add \$1.75 per Bill State Reporting Fees
PPO Network & Out of Network Savings	23%
Enhanced Savings	23%
CERTIFIED NETWORKS	
California Medical Provider Network (WellComp MPN)	
Savings below Fee Schedule	23%
<i>Per Claim Charge is in Addition to Bill Review Fees Outlined Above</i>	

Per Bill Fees also Available on a Case-by-case Basis

CASE MANAGEMENT	
All States	
Nurse Case Management	\$98.00 per Hour
Telephonic Case Management	\$98.00 per Hour
Files Closed within 1-30 days	\$355.00 per case
Files Closed within 31-60 days	Additional \$275.00 per case
Files Closed within 61-90 days	Additional \$215.00 per case
Files open greater than 91 days	\$98.00 per Hour
Field Case Management	\$98.00 per Hour, Plus Mileage (IRS Reimbursement Rate & Expenses)
Life Care Plan	\$150.00 per Hour
UTILIZATION REVIEW / CERTIFICATION	
California	
Procedure Rate	\$145.00
Physician Review	\$250.00
Appeal Reviews	\$345.00
PEER REVIEW	
All States Peer Review – Depending on Specialty	\$195.00 - \$395.00 per Hour
MEDICARE SECONDARY PAYER SERVICES (MSA)	
All States	
Standard MSA	\$3,500.00
Complex/Catastrophic MSA	\$5,000.00
Medical Cost Projections	\$1,200.00
Rush Report (Less than 10 days)	\$500.00
MSA Submission	\$500.00
Updated and Follow-up MSA	\$125.00 per Hour
Final Settlement Document Submission	\$50.00
SSA / SSDI Checks Eligibility	\$125.00 per Hour
Medicare Check	\$50.00
Conditional Payment Request	\$150.00
Conditional Payment Resolution	\$125.00 - \$500.00
PHARMACY	
Retail Rates	
Brand	AWP-12%+\$5.75

Generic	AWP-24% +\$5.75
Mail Order	
Brand	AWP-14%+\$4.75
Generic	AWP-28%+\$4.75

Pharmacy services are inclusive of the following

- Negotiated rates for all prescriptions filled (lesser of PBM rates or fee schedule)
- Guaranteed First Fill program and EBM formulary and customized formulary management
- Drug utilization reviews for quantity/duration and compliance with the pre-established formulary
- Enhanced oversight of pharmaceutical treatment / drug interaction reviews with other medications in the injured worker's file
- Integration with Third Party Billers billed at PBM rates
- Integration with office dispensing PBM billed at PBM rates
- Enhanced managed care savings through coordination with existing cost-containment measures. These measures help expedite the medication approval and move the file along
- Pharmacist review

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NUMBER 7306

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
OFFICE OF THE DIRECTOR

CERTIFICATE OF CONSENT TO SELF-INSURE

THIS IS TO CERTIFY, That

CITY OF RIDGECREST

has complied with the requirements of the Director of Industrial Relations under the provisions of Sections 3700 to 3705, inclusive, of the Labor Code of the State of California and is hereby granted this Certificate of Consent to Self-Insure.

This certificate may be revoked at any time for good cause pursuant to Labor Code Section 3702.

EFFECTIVE DATE: July 1, 2006

DEPARTMENT OF INDUSTRIAL RELATIONS
OF THE STATE OF CALIFORNIA



MANAGER, SELF-INSURANCE PLANS



DIRECTOR, DEPARTMENT OF INDUSTRIAL RELATIONS



*Revocation of Certificate. A certificate of consent to self-insure may be revoked by the Director of Industrial Relations at any time for good cause after a hearing. Good cause includes, among other things, the impairment of the solvency of such employer, the inability of the employer to fulfill his obligations, or the practice by such employer or his agent in charge of the administration of obligations under this division of any of the following: (a) Habitually and as a matter of practice and custom inducing claimants for compensation to accept less than the compensation due or making it necessary for them to resort to proceedings against the employer to secure the compensation due; (b) Discharging his compensation obligations in a dishonest manner; (c) Discharging his compensation obligations in such a manner as to cause injury to the public or those dealing with him." (Section 3702 of Labor Code.) The Certificate may be revoked for noncompliance with Title 8, California Administrative Code, Group 2 --Administration of Self-Insurance.

Coverage Summary - City of Ridgecrest

Programs

Property and Casualty

Program Name	Current SIR / Deductible	Memorandum / Policy #	* Premium	Limits	Coverage Period
	2016/17	2016/17	2016/17	2016/17	2016/17
Cyber Liability	\$50k	PH1533951	\$779	\$2M/\$20M Aggregate/Various Sublimits	7/1/15 - 7/1/16
Excess Workers' Compensation	\$150k	EIA-PE 15 EWC-113	\$159,161	Statutory	7/1/15 - 7/1/16
General Liability	\$100k	EIA-PE 15 EL - 74	\$95,820	\$25M	7/1/15 - 7/1/16
Optional Excess Liability	\$25M	PK1019615 & MAC1827267-02 & 0308-4711	\$12,487	\$25M	7/1/15 - 7/1/16
Property	\$5k	EIAPPR 15-18	\$41,423	All Risk: \$600M (\$5k). Flood: \$490M Flood, except \$300M for locations in FEMA Flood Zones A & V as respects Tower II. (\$25k for non FEMA Flood Zones A & V and \$100k for locations in FEMA Flood Zones A & V). Earthquake:	3/31/15 - 3/31/18

* Premium shown is annual premium at binding.

** Premium shown is total premium related to a multi year coverage period.

RESOLUTION NO. 06-44

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE AN
AGREEMENT BETWEEN THE CITY OF RIDGECREST AND
GREGORY B. BRAGG AND ASSOCIATES**

WHEREAS, The City Council of the City of Ridgecrest has duly authorized the City's withdrawal from the Public Agency Risk Sharing Authority of California (PARSAC);

WHEREAS, the City Council PARSAC has accepted the City's withdrawal effective 1-July-2006;

WHEREAS, Gregory B. Bragg and Associates has the expertise and professional experience to assist the City in managing its Workers' Compensation (WC) Claims;

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Manager is hereby authorized to finalize the agreement with Gregory B. Bragg & Associates;
2. The City Council of the City of Ridgecrest does hereby direct the City Attorney to review the Agreement prior to the City Manager's finalization

APPROVED AND ADOPTED this 21st day of June, 2006, by the following vote:

AYES: Vice Mayor Clark, Council Members Morgan and Carter

NOES: None

ABSENT: Mayor Holloway and Mayor Pro Tem Martin

ABSTAIN: None



Daniel O. Clark, Vice Mayor


Rita Gable
Rita Gable
City Clerk

RESOLUTION NO.: 06-45 DATED: June 21, 2006

A RESOLUTION AUTHORIZING APPLICATION
TO THE DIRECTOR OF INDUSTRIAL RELATIONS, STATE OF CALIFORNIA
FOR A CERTIFICATE OF CONSENT TO SELF INSURE
WORKERS' COMPENSATION LIABILITIES

At a meeting of the Board of City Council
(enter title)

of the City of Ridgecrest
(enter name of public agency, district)

a Public Entity organized and existing under the laws of the State of California,
(enter type of agency)

held on the 21 day of June, ~~19~~²⁰⁰⁶, the following resolution
was adopted:

RESOLVED, that the City Manager
(enter position titles)

be and they are hereby severally authorized and empowered to make application to the Director of Industrial
Relations, State of California, for a Certificate of Consent to Self Insure workers' compensation liabilities
on behalf of the

City of Ridgecrest
(enter name of district)

and to execute any and all documents required for such application.

I, Marshall Holloway, the undersigned Mayor
(enter name) (enter title)

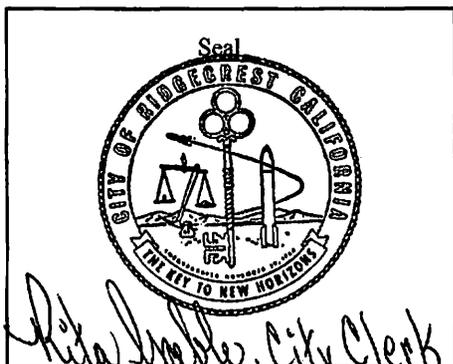
of the Board of the said City of Ridgecrest
(enter name of agency)

a Public Entity, hereby certify that I am the Mayor
(enter type of agency) (enter title)

of said Public Entity, that the foregoing is a full, true and correct copy of the
(enter type of agency)

resolution duly passed by the Board at the meeting of said Board held on the day and at the place therein specified
and that said resolution has never been revoked, rescinded, or set aside and is now in full force and effect.

IN WITNESS WHEREOF: I HAVE SIGNED MY NAME AND AFFIXED THE SEAL OF THIS



Rita Lybelle, City Clerk

Public Entity,
(enter type of agency)

THIS 21st DAY OF June, ~~19~~²⁰⁰⁶

[Signature]
(Signature)

AGREEMENT FOR WORKERS' COMPENSATION CLAIMS ADJUSTING AND ADMINISTRATION SERVICES

Agreement entered into by and between the City of Ridgecrest , a political subdivision of the State of California (hereinafter "Client") and Gregory B. Bragg & Associates, Inc., a California corporation (hereinafter "Claims Administrator").

RECITALS

- (a) Client is a public entity duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.
- (b) Client requires Workers' Compensation claims adjusting and administrative services and Claim Administrator is agreeable to performing such services for Client.
- (c) In order to operate the Program effectively, it is necessary to retain an experienced and competent firm to act as claims adjustor and administrator. Claims Administrator represents that it is experienced and competent to fulfill those duties and wishes to be retained by Client for that purpose.

TERMS AND CONDITIONS

In consideration of the foregoing Recitals and the following Terms and Conditions, the parties mutually agree as follows:

1. Retention of Claims Administrator

Client agrees to retain Claims Administrator to act as the claims administrator for the Client Workers' Compensation Program on the Terms and Conditions set forth in this Agreement. Claims Administrator agrees to perform all of the duties for which it has been retained.

2. Scope of Services

- (a) Unless the parties otherwise hereafter agree, Claims Administrator shall be solely and completely responsible for supplying Client with all of the work and services required to adjust and administer all Workers' Compensation claims made against Client during the term of this Agreement.
- (b) Without in any way limiting the responsibilities to be undertaken by Claims Administrator under this agreement, Claims Administrator's services shall conform to the "Guidelines and Standards" promulgated by Client, a copy of which is attached to this Agreement as Exhibit "A" and incorporated herein by reference.

- (c) Claims Administrator will promptly initiate its administration of each claim reported by Client. However, Claims Administrator shall not be responsible for payment of any fines or penalties as a result of claims which are not reported to Claims Administrator in a timely manner or which are not reported at all.
- (d) Claims Administrator is assuming responsibility for administration of all open claims existing against Client as of the commencement date of the agreement arising out of injuries occurring on or after July 1, 2006

3. Program Records

- (a) Claims Administrator shall maintain a complete set of records fully documenting its activities under this Agreement. The records shall be treated as CONFIDENTIAL and shall not be disclosed to any person except as required in furtherance of Claims Administrator's duties under this Agreement or as directed by Client or as otherwise required by law. Client shall designate who shall have access to such records.
- (b) All records prepared, acquired and maintained by Claims Administrator shall at all times be the property of the Client and shall be made available to the Client, as the case may be, at the termination of this Agreement. Claims Administrator shall make all open files available at the claims administration location. Claims Administrator shall make all closed files available at their storage location.
- (c) For purposes of this Section 3, "Records" include original and copies of all documents, reports, correspondence and any other physical embodiments of information and data, regardless of whether they are kept in written, electromagnetic form, digital format, optical format, or similar future technology that may be implemented during the course of the contract.

4. Compensation

A. Claims Management Rates: Annual Flat Rate

The annual rate for the first year of managing all workers' compensation claims is \$15,000. The annual rate for the second year is \$25,000 and \$35,000 for the third year. Fees in second and third year cannot exceed the amount stated but can be negotiated downward based on volume of activity.

B. Annual Client Services Fee: \$2,000

This includes the following services: computer input of all open claims, monthly computer loss information and quarterly and annual reports, trust account (excluding checks and bank charges), and attendance at claim review meetings. This fee includes 2 online access licenses. Additional licenses may be purchased upon request.

C. Bill Review Fees

Bill review/PPO access services may be provided at \$10.50 per bill reviewed and 22% of PPO savings for PPO access.

D. Other Services

Other services may be done after authorization of Client at the following time and expense rates. These rates may be negotiated on an annual basis:

1.	Investigation Services	\$ 70.00 per hour
2.	Early Return to Work	\$ 80.00 per hour
3.	Utilization Review	\$ 85.00 per hour
4.	Risk Control Services	\$110.00 per hour
5.	Specialized Training	\$ 95.00 per hour
6.	Mileage	IRS Reimbursable rate
7.	Secretarial	\$ 6.00 per page
8.	Index Reports	at actual cost
9.	Other Expenses	at actual cost

5. Billings

Claims Administrator shall prepare and present to Client detailed monthly billings for its services under this Agreement. Such invoices may be presented to Client up to The billings shall describe the nature of the services provided and the expenses incurred, the applicable dates, an itemization of all charges and, to the extent possible, the person or persons performing the services on behalf of Claims Administrator. Upon request, Claims Administrator will endeavor to supply additional billing details as Client may reasonably request. Claims Administrator's billings shall be due and payable by Client forty-five (45) days after receipt.

6. Trust Fund

Client shall establish a trust bank checking account or accounts to which Claims Administrator shall have access for purposes of paying losses within its claims adjustment authority and processing claims administration and litigation expenses to third persons. With respect to claims administration expenses, Claims Administrator shall not, without written authorization, make payments directly to or on behalf of itself of compensation earned pursuant to Section 4 above or for any other purpose. The trust account or accounts shall be maintained at a level adequate to disburse payments on claims files in timely fashion, and shall be replenished as necessary by Client upon request of Claims Administrator. The records of the trust account including check registers, canceled checks and bank statements shall be available for examination by Client at any reasonable time.

7. Contract Term; Termination

The term of this Agreement shall commence on the 1st day of July, 2006 and shall terminate on the 30th day of June 2009. This Agreement may be terminated at any time by either party without cause upon sixty (60) days written notice. This agreement will be automatically renewed on an annual basis subject to the same terms and conditions, except Section 4 herein, which may be renegotiated by the parties hereto.

8. Independent Contractor

In performing the services agreed upon in this Agreement, Claims Administrator (and its officers, agents and employees) shall have the status of an independent contractor, and neither it nor they shall be deemed to be an officer or employee of Client.

9. Indemnification

- (a) Claims Administrator shall defend, indemnify, and hold harmless Client, its officers, directors, agents, employees, member agencies and their representatives from and against all damages, claims, penalties, demands, actions, or causes of actions which may arise from the action, conduct, or failure to act by Claims Administrator or its officers, employees and agents.
- (b) Client shall defend, indemnify, and hold harmless Claims Administrator, its officers, directors, agents, employees from and against all damages, claims, penalties, demands, actions, or causes of actions which may arise from the negligence of Client and/or the provisions of inaccurate or incomplete information or data by Client, or failure by Client to provide information requested by the Claims Administrator.

10. Insurance

- (a) Claims Administrator shall provide Client with a certificate or certificates of insurance duly executed by an insurance company or companies, acceptable to Client, which are authorized to transact business in the State of California. The certificate(s) shall certify that the Claims Administrator has in full force and effect at all times during the term of this Agreement a single policy of at least \$1,000,000 coverage applying to bodily injury, personal injury, property damage and errors and omissions. Claims Administrator shall also secure and maintain in effect at all times a fidelity bond or bonds in the amount of at least \$500,000 in form and sureties acceptable to Client which bond(s) shall secure Client and the Program Participants against any losses suffered by Client due to dishonesty of or misuse of funds and property entrusted to Claims Administrator, or any of its officers, employees or agents.
- (b) All such policies of insurance and bonds shall contain endorsements requiring that notice of cancellation of any policy or bond be given by the insurer or surety to Client not less than twenty (20) days prior to the effective date of cancellation.

11. Designated Representative

- (a) Claims Administrator shall identify the person or persons who, as employees of Claims Administrator, shall serve as Claims Administrator's designated representatives to Client in the performance of this Agreement. The Claims Examiner handling Client files will be state certified and will handle no more than 175 open indemnity files at any one time during the term of this agreement. Client shall have approval authority over designation of all claims examiners assigned to Client files.
- (b) Client reserves the right to require Claims Administrator to replace any person as a designated representative if, after review, Client and the Claims Administrator determine that the Claims Examiner is not satisfactorily fulfilling his or her responsibilities.

12. Miscellaneous

- (a) This Agreement contains the entirety of the agreements and understandings between the parties with regard to the subject matter of this Agreement, and it supersedes all prior written or oral agreements which may have previously existed.
- (b) This Agreement may not be altered or amended except upon the mutual written approval of both parties, which alteration shall be duly executed by the parties' authorized representative.
- (c) This Agreement is made and shall be interpreted and enforced under the laws of the State of California.
- (d) Any dispute arising out of the management of this contract shall first be resolved via contract provisions between designated parties herein; should dispute not be able to be resolved within 60 days parties agree to mediation; failing mediation parties agree to terminate contract pursuant to contract provisions.

CITY OF RIDGECREST

GREGORY B. BRAGG & ASSOCIATES, INC.

By: Harvey M. [Signature]

By: Randall C. Smith [Signature]

Date: 6-28-06

Date: 7-10-06

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

SUBJECT:

Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of June 29, 2016

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Special City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of June 29, 2016

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 SPECIAL MEETING OF THE
RIDGECREST CITY COUNCIL AND
REDEVELOPMENT SUCCESSOR AGENCY AND
HOUSING AUTHORITY AND
FINANCING AUTHORITY**

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

**June 29, 2016
6:00 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 for the purpose of preparation of minutes.

CALL TO ORDER at 6:00pm

ROLL CALL

Council Present: Mayor Peggy Breeden; Mayor Pro Tempore Jim Sanders; and Vice Mayor Lori Acton

Council Absent: Council Members Eddie Thomas and Mike Mower

Staff Present: City Manager Dennis Speer, City Clerk Rachel J. Ford, and other staff

APPROVAL OF AGENDA

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

SPECIAL SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

PUBLIC COMMENT

- None presented

DISCUSSION AND OTHER ACTION ITEMS

1. Budget Hearing for Fiscal Year 2016-2017

Staheli

Mayor Breedon

- Questioned the impact operating under a continuing resolution and postponing a vote on the budget until early August.
 - Ron Strand – local jail is closed as of today and if the budget is not approved police cannot hire the positions needed to do transportation of prisoners therefore more officers will be on the road.
 - Tyrell Staheli – explained continuing resolution but will complicate year end closing process, approvals of contracts, hiring of personnel and payments of certain invoices. Will additionally cause more intensive labor to finance staff with rolling the budget as it will have to be piece-milled if only parts of the budget are approved.
 - Jim Sanders suggested passing a budget tonight with a discussion in august for amendments. Sensitive to the council members desire to be here but also understand the need for an operational budget.
 - Lori Acton – budget is a living breathing document and can be amended at any time. Doing the input in parts leave more opportunity for error which can cause additional problems.
 - Peggy Breedon – suggested pushing out to July 20 and Mike Mower can call in for that meeting. Spoke on issues Stan Rajtora which he requested be addressed. Questioned contracts and ability to approve them pending the budget.
 - Jim Sanders – if absent council don't like the budget as it is then it can be changed. Don't want to seem heartless but need to move forward with a budget.
 - Lori Acton – if we pass a budget tonight then staff can move forward and then would be easier to modify smaller portions as needed.
 - Peggy Breedon – clarified that all 3 present council members would have to vote in favor to pass.

Public Comment

Warren Cox

- If there are questions about certain decisions asked of Council then can these be backed out and then decided individually on July 20.

Dennis Speer and Tyrell Staheli

- Outlined the additional \$220,000 cuts proposed by staff as directed by Council.

Tyrell Staheli

- Reviewed each proposed cut made by the various departments and the impacts to each.

Ron Strand

- Reviewed each of the Police cuts proposed and the impacts of the cuts.
- Briefly spoke on option of refurbishing older vehicles at a lower cost.
- Explained grant cycle which allows for rollover grant funding offsetting expenditures and reimbursement grant structure.

Dennis Speer

- Explained the Planner contract is not being renewed and the need for planning activities has reduced. Reviewed the effect on the planning commission and option to utilize consultant services combined with a part time planning technician; senior staff assignment; part-time planner; or shared planning services with City of County.
 - Lori Acton – questioned if we were looking at going back to a full community development department. Suggested a planning tech and cross train other staff in economic development.

Jason Patin

- Reviewed cuts primarily on the Parks side. Budgets were developed with previous year numbers and have fewer cushions for a more expensive year in fixing things that break.

Peggy Breeden

- Commented on planning commission meetings and activities. New projects need development and do not want to see these inhibited.
 - Dennis Speer – experienced with planning services for City of Fresno and based on current staffing for Ridgecrest and activity in planning do not foresee a slowdown in work product. Daily contacts can be handled by a part time technician.
 - Warren Cox – questioned savings if looking at additional part time staffing.
 - Tyrell Staheli – the savings is a net after accounting for the consultant.

Lori Acton

- Reviewed the IT reductions.

Jim Sanders

- No problem with utilizing consultant for planning services but questioned how well it works in practice.
 - Dennis Speer – typically staff and council can call consultant with questions and documents are scanned electronic and available in real time.
- Confirmed counter staff will be maintained at full level.
- Impressed with cuts made by staff as being reasonable and not painful.

Lori Acton

- Feel same as council member sanders. Agree with double duties and appreciate staff digging in. Can't cut our way to success but this will work while we look for other sources of revenue.

Peggy Breeden

- Read opening statement and questions provided by Stan Rajtora.

Dennis Speer

- Confirmed the need to add to revenues and staff is looking into revenue sources. Highlighted Payment in Lieu of Tax (PILT), from the Navy and will be putting together a report and request for our congressman. Some inaccurate information has been received in the past so clarifying regulations for obtaining PILT. Also looking at the current property tax percentage. Looking at additional revenue opportunities from new retailers pending the opening of the new Walmart as well as other revenue generating establishments.
- Consultant for renewal of Measure 'L' will make presentation on July 20.

Peggy Breeden

- Finished reading statements and questions provided by Stan Rajtora regarding overhead calculation, allocations, and wastewater transfer errors.

Tyrell Staheli

- Explained the Overhead Calculation slides questioned by Mr. Rajtora and will provide copies to Mr. Rajtora.

Peggy Breeden

- Feel we are revenue challenged, encourage finance committee to work with staff to find dollars. Don't think there are any other reasonable cuts to be made. Wish we had started the committee last year. Nothing seems to go up, but expenditures do go up. Asked the finance committee to go over the next 5 years to see what is needed to operate. Is revenue going to continue to drop? If revenue does not go up we will have the same problem next year trying to cut a bare-bones budget.
 - Tyrell Staheli – we have consultant that provides good information projecting out sales tax and TOT. Will look at these with the finance committee.
- Spoke on the information coming back to the community. Want us to look at PILT. Previous Council's gave it up for other things and we have not received the benefit of it. Sometimes we have to fight for ourselves. Same with property tax, there is no reason we should stay where we are and don't understand how it came to be this low.

Peggy Breeden *(continued)*

- The dollars the public spend here benefit you. Those spent on the internet do not. It does not come back to the community. Shame on us for not spending dollars in town and businesses not doing what is needed to provide what people are going out of town to buy. We want to learn ideas from the community and staff. Let us know. Do not like approving a budget without the other two council members present. They did not know we were going to postpone hearings when they were making their vacation plans. Hoping there is a way. If I don't approve then I know it will be postponed. Do not want to do this to staff but feel we owe it to our fellow council members to try other options. Asked again for impact of approving contracts and parts of the budget.
 - Dennis Speer – some of the contract would have to be pulled as they are federal dollars and could possibly miss the paving season.
- Questioned scenario of approving a budget and awarding contracts but then council decides they don't want the contracts.
 - Jim Sanders – the only parts the other members had issues with were the proposed cuts being made today. Do not see this doing any damage and does not affect the other parts of the budget we have already discussed.
 - Lori Acton – agrees with Mr. Sanders thoughts. If they don't like these cuts then can see later where to make cuts. Do not believe they have issues with the contracts and have had opportunity to speak on these previously.

Jim Sanders

- Very happy with the budget and feel the cuts made were reasonable.

Lori Acton

- Finance committee can go forward to look at a five year revenue and expenditure. Also need to complete the strategic plan that was started. To the public, not just shopping out of town. Council helped keep staples open and community still didn't shop there. We all have to do it together

Jim Sanders

- Encouraged with the efforts staff have been making to seek additional revenue sources rather than just raising taxes. Can't believe staff has done as well as they have with all the sacrifices. Can only sacrifice so long before you can't function any longer. Surprised with the information received on PILT, pre-redevelopment agency dissolution we felt it would be good to sacrifice PILT but we are now at a level we can no longer make that sacrifice so have to go after the PILT. If we are successful we could get to a level that we can operate.

Tyrell Staheli

- Spoke on the optimal budget which shows a \$9 million shortfall to be able to provide all the services needed.

Peggy Breeden

- Do not like what I am about to do, feel we have a responsibility to do some things. This is against my principals that all of us have a burden to make this decision. Staff has done well with the cuts. Know we have to do the contracts or police officers on the street. Wish there was a way to do the things we must do and still address the things we ought to do.

Lori Acton

- Explained why California City has larger property tax and will share with staff.

Public Comment

Brian Cosner

- Spoke on the cuts to Police Department cuts. Requested what Police were cutting out that they would otherwise have done.
 - Ron Strand – explained a readjustment of expenditures that were put into the budget in error. Reviewed the carryover of grant funding still available to spend in the next budget cycle.
- Reviewed the reduction to vehicle purchases and exchange of refurbish of older vehicles.
- Questioned what businesses were coming in to the old Walmart business
- Questioned the \$800k deficit reduction to \$200k
- Glad we are seeking PILT and Property Tax revenues.

Peggy Breeden

- Explained the misconception of the \$800k and now we have a balanced budget. Appreciate staff for their work and departments that have taken the hit.
 - Tyrell Staheli – cash balance is at \$1 million and reserves at \$750k

Motion To Approve A Resolution Of The Ridgecrest City Council And The Successor To The Ridgecrest Redevelopment Agency Adopting The Annual Budget For Fiscal Year 2016-17, Establishing Appropriations, Estimating Revenues, And Establishing The Policies By Which The Budget May Be And Shall Be Amended Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Peggy Breeden – reschedule budget discussion for August 3 and full council meeting.

Jim Sanders

- Have worked hard for 3 years to incrementally raise the reserves and cash balance. Thanked all staff for their hard work.

Lori Acton

- Appreciate staff for everything they do. We ask a lot from them and they do step up and are successful.

Peggy Breeden

- We are sending \$30k to Kern River Valley for the fire victims. Thank you to all local businesses and people for their efforts to help our neighbors.

ADJOURNMENT at 9:00 p.m.

Rachel J. Ford, CMC
City Clerk

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

SUBJECT:

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of July 6, 2016

PRESENTED BY:

Rachel J. Ford, City Clerk

SUMMARY:

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of July 6, 2016

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**

**July 6, 2016
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; Mayor Pro Tempore James Sanders; and Council Members Eddie B. Thomas

Council Absent: Council Members Mike Mower and Lori Acton

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

APPROVAL OF AGENDA

Item Pulled

17. Nomination And Appointment To The Ridgecrest Planning Commission To Fill Vacancy Ford

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

PUBLIC COMMENT (Closed Session)

- None Presented

CLOSED SESSION

GC54956.9 (d) (4) Conference With Legal Counsel – Potential Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest

GC54956.9(d)(1) Conference With Legal Counsel – Liability Claim Of City of Ridgecrest v. Cohen

- ❖ Council Member Thomas left to resume vacation
- ❖ Council Member Acton arrived during closed session

REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

CITY ATTORNEY REPORT

- Closed Session
 - Conference With Legal Counsel – Potential Litigation – Public Disclosure Of Potential Litigant Would Prejudice The City Of Ridgecrest – report received and no reportable action taken.
 - Conference With Legal Counsel – Liability Claim Of City of Ridgecrest v. Cohen – report received and no reportable action taken.
- Other
 - none

PRESENTATIONS

1. Presentation - Waste Management Annual Report

Speer

Dennis Speer

- Presented staff report and introduced Debbie Morris of HF&H

Debbie Morris

- Provided PowerPoint presentation to Council on the annual report from Waste Management.

Peggy Breeden

- Questioned the impact of Saturday Service
- Questioned whether businesses that breakdown cardboard and take it elsewhere for reuse is being calculated into the ratios.

Jim Sanders

- Questioned the requirements for organics for residential.

Lori Acton

- Questioned the timeline for residential organics collection.
- Clarified the commercial recycling formula uses the diversion rate requirements.
- Questioned the Benz issue of combining waste products that resulted in charges.
 - Keith Lemieux – clarified the issue was combining waste from two counties together and dumping in the Kern County landfill.

Public Comment

Dave Matthews

- Commented on multi-unit residences using landscaping services to haul organics and questioned if these were included in the ratios.

2. Presentation – Measure ‘L’ Citizens Oversight Advisory Committee Annual Report Speer

Dennis Speer

- Introduced Ted Ribulton who provided a PowerPoint presentation to Council regarding the Measure ‘L’ Citizens Oversight Advisory Committee annual report

Ted Ribulton

- Reviewed PowerPoint presentation showing the use of Measure ‘L’ funds for Fiscal Year 2014-2015.

Jim Sanders

- Thanked committee for the report and highlighted the committee members are all community volunteers.

Lori Acton

- Clarified the carryover balance and whether the recommended matching fund budget is separate from the carryover. Questioned if the committee had a number or amount recommended to set aside for matching funds.
- Thanked the committee for their comprehensive work.

Peggy Breeden

- Thanked the committee for their contribution to this community.

Public Comment

Dave Matthews

- Commented on this being an example of the kind of tax he has recommended for many years. This is a local tax the County and State can’t take from us. Expressed appreciation of the improvements to streets. Encouraged Council to pursue renewal of Measure ‘L’ and might support an increase to the tax.

Mike Neel

- Commented on history prior to Measure 'L' and lack of street maintenance by previous Council's. Spoke on the pavement management study requirements necessary to bring the street conditions up and the continued maintenance needs. Stated zero cuts were taken by Parks and majority of funding has been used by the Police Department. Commented on some citizen's opinions and the Advisory Committee campaigning for another ballot measure. Suggested Council look at how the funds are being spent because the need is to spend every dime possible on streets. Requested information pertaining to parks maintenance and other expenditures and cuts be made clear to public so the public can make an informed decision regarding the ballot measure. Need good clear information on how the City is expending funds on major expenditures before we can decide on another Measure 'L'.

Jim Sanders

- Very proud of the report and feel the Committee did a very good job. Also, feel very good about how the money has been spent in the last 4 years. Have made some very hard cuts to every single department and am confident the money received by Measure 'L' was spent appropriately.

PUBLIC COMMENT

Tom Wiknich

- Commented on the discussions regarding the need for jobs and the casino not being the appropriate venue to provide those jobs. Citizens were asked to come forward and present valid suggestions for other jobs to come to Ridgecrest. Have not received any suggestions to date. Commented on wage leakage and high dollar jobs that work here but do not live here and the dollars going out to other communities. Looking for suggestions and would like us to work with Chamber of Commerce and other employers to encourage employees to move here and bring their families so wages do not leave the community. City getting ready to award contracts, hopefully these agencies have business licenses because they don't live here or have offices here. Can we do something to encourage these businesses to relocate here? Need to look at this to try and reduce wage leakage.

Teresa Jacobs

- Spoke on parking lot at 216 Ridgecrest Blvd. and issues with Historical Society who are now renting their building and giving my phone number out to people to contact me and request using my parking lot. Has lost 3 renters and feels it is up to the City to follow through on the terms of the agreement with Historical Society when the building was given to them.
 - Dennis Speer – responded. Will provide agreement to Mrs. Jacobs. Disposition agreement requires a plan for parking; City Attorney will review the issue of the historical society renting the building. Do not believe the disposition agreement covers this issue.
 - Peggy Breeden – suggested an agreement for paid parking. City is not the arbiters of solving disagreements between citizens but will help if we can.

Dave Matthews

- 3 hurrahs to Mr. George Bertrand for purchasing the property from the conservator for Dale Howard and they can now stay in their home
- Large fire at Lake Isabella and please to see the support and donations from the community. Wondered if Ridgecrest was losing it's soul and the efforts to help the fire victims renewed belief this community has not lost it's soul.
- Heard disturbing issues on the radio. Spoke on various wars in the past and personal service to defend our rights against the Nazi's. heard several military leaders comments that has convinced him we have lost the war and if it does not stop we will no longer be a free country.

Mike Neel

- Commented on Mrs. Jacob being run rough shod by another business and having to pay to have people towed off her property. Suggested tearing down run down businesses behind the historical building.
- Commented on Dale Howard debacle and Mr. Bertrand buying the certificate. Receiver wants to have the Howard's under their thumb for another 18 months and inspect the property regularly. If they do not comply then the property goes back into receivership and the Howard's and Mr. Bertrand lose the property. Commented on reasonable conditions not being levied on the property because of certain employees want the Howard's thrown out of their home. Made accusations of the City having a black heart and vendetta against the Howards. Additional conditions were added that could not be met. Suggested people look hard at the police department and stop persecuting these old people.

COUNCIL ANNOUNCEMENTS

Peggy Breeden

- Reported \$35,000 sent to Lake Isabella for fire victims.
- 38 horse trailers, 1 semi, numerous trucks and trailers hauled supplies. Community has a big heart and very proud of the support received.

CONSENT CALENDAR

3. Proposed Action To Approve A Resolution Approving The Program Supplement Agreement No. 037-N1 With The State Of California, Department Of Transportation, Under Master Agreement No. 09-5385R Encumbering One Hundred Sixty Thousand Eight Hundred Seventy-Five Dollars (\$160,875.00); And Authorizes Tax Allocation Bonds From The Street Allocation In The Amount Of Twenty Thousand Eight Hundred Forty-Two Dollars (\$20,842.00) Be Used For Matching Funds; And Authorizes The City Manager, Dennis Speer, To Sign The Program Supplement Agreement For Construction Of The North Warner Avenue Project From Drummond Avenue To West Howell Avenue Speer
4. Proposed Action To Approve A Resolution To Award A Construction Contract To Bowman Asphalt For The Road Rehabilitation And Resurfacing Of The Gateway Project From East Ridgcrest Boulevard To Church Avenue In The Amount Of Five Hundred Twenty-Three Thousand One Hundred Twenty-Eight Dollars (\$523,128.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer
5. Proposed Action To Approve A Resolution To Award A Construction Contract To Elite Grading And Paving For The Bike Path Extension Along Richmond Road From The Bowman Bike Path To The Park And Ride On East Ridgcrest Boulevard In The Amount Of Two Hundred Thirty-Three Thousand Four Hundred Twenty-Nine Dollars (\$233,429.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer
6. Proposed Action To Approve A Resolution To Award A Construction Contract To Bowman Asphalt Inc. For The Road Rehabilitation And Resurfacing Of Twelve Streets For Fiscal Year 2016 Street Improvement Project In The Amount Of One Million Eight Hundred Thirty-Eight Thousand One Hundred And Sixty Dollars (\$1,838,160.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer

7. Proposed Action To Approve A Resolution To Award A Construction Contract To Griffith Company For The Road Rehabilitation And Resurfacing Of East Drummond Avenue From North China Lake Boulevard To Chelsea Street In The Amount Of Five Hundred Seventy-Two Thousand Six Hundred Twenty-Six Dollars (\$572,626.00) And Authorize The City Manager, Dennis Speer, To Execute The Contract Speer
8. Proposed Action To Approve A Resolution Of The City Council Of The City Of Ridgecrest To Levy And Collect Sewer Fees On The General Tax Rolls For Fiscal Year 2016-2017 Speer
9. Proposed Action To Approve A Resolution Of The City Council Of The City Of Ridgecrest Approving Acceptance Of Real Property From Kern County And Approving The Agreement For Transfer Of Real Property Known As Leroy Jackson Park, Ridgecrest, California Patin
10. Proposed Action To Approve A Resolution To Approve The Expenditure Of Parks And Recreation Impact Fees At The Kerr McGee Youth Sports Complex Patin
11. Proposed Action To Approve A Resolution Of The Ridgecrest City Council Authorizing The Application For And Acceptance Of The United States Department Of Justice, Byrne Program Grant McLaughlin
12. Proposed Action To Approve A Task Order With City Attorney Firm Of Lemieux & O'Neill For Services Which Exceed The Scope Of The Retainer Agreement Lemieux
13. Proposed Action To Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated June 1, 2016 Ford
14. Proposed Action To Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated June 8, 2016 Ford
15. Proposed Action To Approve Draft Minutes Of The Ridgecrest City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated June 15, 2016 Ford

Items Pulled From Consent Calendar

- Item Nos. 4, 7, 8, 9, 10, and 12,

Motion To Approve Consent Calendar Item Nos. 3, 5, 6, 11, 13, 14, And 15 Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Item No. 4 Discussion

Tom Wiknich

- Questioned if the contractors have city business licenses
 - Dennis Speer - responded

Motion To Approve Consent Calendar Item No. 4 Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Item No. 7 Discussion

Dave Matthews

- Questioned if the project was going far enough east.
 - Dennis Speer – limited to amount of funds available.

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

Item No. 8 Discussion

Peggy Breeden

- Requested clarification of how sewer fees are levied on property taxes.
 - Dennis Speer – sewer fees have always been part of the tax rolls

Stan Rajtora

- Commented on Exhibit B and suggested the rates for the Navy have changed and is important that we have the real information.
- Commented on tracking the revenue into the wastewater fund and shows the City is contributing 91% of the funding and base is less than 9% so if more money is needed then suggested identifying why the funding is as imbalanced. Suggested Navy should be paying 30% of the revenue.

Stan Rajtora *(continued)*

- Rate study began with funding profile then funds are allocated to users. Based on funding profile in the rate study we should have \$5.5 million dollars in the fund. (Referenced table 21 of the rate study) currently have \$18 to \$20 million dollars so based on that see no reason for increase in rates.
- Referenced city memo from Provost & Pritchard which states an administrative fee allocated per account and the rate study does not talk about any fee based on an account basis in the amount of \$500,000. We do not have any accounting fees so feel a new rate study is warranted. The current rate study is outdated.
 - Jim Sanders – agree the rate study is outdated and Council is showing interest toward a tertiary plant which was not accounted for in the original rate study. This could require an increase to rates so not willing to look at it because we don't want to increase rates right now.
- Agree with a tertiary plant however with the current balance in the fund being above the recommended level then no need to raise rates. Additionally the people using the service should be paying for the plant.
 - Jim Sanders – in principal you are correct but in order to bond a new plant you can't bond 100%.
 - Lori Acton – have asked the same question Mr. Speer who had an answer.
 - Dennis Speer – explained the normal method of funding. There may be a misunderstanding in the interpretation of the rate study. Need a two year reserve in addition to the capital funding for operations.
 - Jim Sanders – explained the rate increases were to bring the fund balance and reserve to a level so we could bond.
- Reviewed the numbers needed as indicated in the study and commented nothing was mentioned about needing 1/3 of the funding. Again suggested the need for a new rate study.
 - Dennis Speer – original rate study it was not anticipated the building of a tertiary plant which adds additional construction and operational costs. Repair, replacement, and retrofit of old lines is higher than anticipated. These eat into the capital funds. If you want definitive numbers then you wait until the plant is built and operated for a year. once real numbers are gathered then come back to Council with rate discussions.
- Agree we need to recycle the water and sell it which could partially defray the cost of the tertiary plant. Spoke on the pipeline which is responsibility of the City and not the citizens. Believe the impact of tertiary plant is being overestimated. Reviewed numbers from budget and anticipated revenues and suggested do not need another increase this year.
 - Dennis Speer – only action being requested is to put the flat rates on the tax bill. Fee increase was scheduled and adopted previously so this Council is not being requested to approve the increase.

Peggy Breeden

- Would like Council to look at the numbers the Navy pays.
 - Dennis Speer – original agreement is still in effect and the Navy had no obligation to pay any other rate until City conducts a rate study and raises the rates across the board. That was done by the previous Council, rate study and adoption of rates which had tiered increases for five years. Rates were re-negotiated with the Navy. Will have finance check the 91% vs. 9%. Navy agreement does not say they will pay what we say but will renegotiate and this was done so they pay a lot more now than they used to pay. Anticipate a new operating agreement with the new plant so the rates would be subject to negotiating.

Stan Rajtora

- Commented on typical rate increases set by Prop 218. Need to make sure Navy pays their share.

Lori Acton

- Questioned the Navy use rate originally included housing so need to renegotiate the use rate.

Mike Neel

- Agrees that if the Navy is using 30% then need to pay 30% of the cost.
- Tertiary plant is not part of the original rate study so requires a new study if going to include the plant.
- Wastewater fund has gone up because there have been 3 rate increases. If there is more coming in than we need then need to adjust. Questioned if we can reduce the rates without a new study.
 - Keith Lemieux – Prop 218 relates to increases. If going to reduce then need a logical reason but can reduce rates without a new Prop 218 hearing? Option is available but is not on the agenda.
- Request this get looked at again before this goes to the County Tax Assessor.

Jim Sanders

- I am of the opinions that if we do a rate study then the rates are likely to increase. Questioned Mr. Neel if he would accept the results of the study.

Mike Neel

- Commented that he would still protest because this is a tax the citizens don't get to vote for. The evidence is we have more than we need so would indicate the rates should be reduced. Don't need further increases, possibly decrease. Requested Council seriously look at doing this for the sake of the citizens.

Stan Rajtora

- Compared the water district not imposing an approved increase to fees.
- Spoke on unencumbered funds of \$9 million in the bank at the time the rate study was done. If the Solar Park had not borrowed \$3 million and the City had not taken \$4 million in taxes than the fund would have been higher. We had a large reserve when this increase was passed.

Peggy Breeden

- Apologized because was not originally involved in the rate increase. Understand why the rate increases because we are going to have a new plant. Not certain this increase will break anybody. What will break us is if we don't have it and need it when we go to build the plant. Want to look at the rates again to justify the numbers for the Navy. There is value in the Navy allowing us to have our plant on their facility.

Motion To Approve Consent Calendar Item No. 8 Made By Council Member Sanders, Second By Council Member Acton Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Item No. 9 Discussion

Jason Patin

- Reviewed the agreement with the County transfer of a portion of Leroy Jackson Park to City of Ridgecrest highlighting the zero fiscal impact to the City. Noted that over 90% of the infrastructure in that section of the park was provided by the City and parks programs are run in the park so if we turn it back to the County then would have to negotiate a fee to use the park. Wells, Turf, Skate Park, Tennis Courts, Lighting and ball fields were put in by the City.

Lori Acton

- Think this is the best thing we can do.

Dave Matthews

- Clarified this will be transferred to City at no cost and location. Does not include Petroglyph Park or the portion next to the dog park. Does not include museum property.
 - Jason Patin – clarified the location.
- Clarified the County Parks department does not do recreation and they will maintain the portion of the park they are keeping.

Tom Wiknich

- Glad to see this come before the public. Questioned why this agreement took so long to negotiate.
 - Jason Patin – reviewed the closed session meetings which had spans of several months between negotiations.
- Questioned agreement page 1 – water rights.
 - Jason Patin – responded with explanation of agreement to take a line from our well to the property line and County would be responsible for completing the line. Could be 30 years in the future so could not quote a rate. Rate will be negotiated if it ever happens. Provision includes a maintenance cost which would go toward repair and replacement costs.
- Questioned the Quit Claim deed language.
 - Jason Patin – if we use the park for any use other than public then would revert back to the County.
 - Keith Lemieux – this is land that will be dedicated to public use.

Dave Matthews

- Questioned filing fees for the deed.

Stan Rajtora

- Questioned what the cost to City would be regarding annual maintenance.
 - Jason Patin – currently doing the maintenance and don't have the numbers. Impossible to answer off the top of the head.
- If circumstances were different would be in favor of this but City declared fiscal emergency 4 years ago and lost \$5 million in tax revenues and looking at this year's budget the revenue for this year is down so when we take on additional obligations then more money we have to figure out where we will get the money. Cautioned council to be careful of the message being given to the public.

Jim Sanders

- Not going to be taking on more, already doing the maintenance.
- We have numerous recreation programs that citizens participate in and this action has zero dollar difference. The only way to cut is to sacrifice the recreation programs and the revenue that comes with those programs.

Stan Rajtora

- Need to consider if there is an area we can cut and the message being given to the public.

Jason Patin

- Not taking on an obligation but gaining an asset we have already put millions of dollars of infrastructure into over the past 20 years. County would not allow us to use the facilities free of charge if they have to maintain it.

Mike Neel

- Clarified whether one option was to continue to operate under the agreement we already had.
 - Dennis Speer – lease was up for renewal and the County thought it would be appropriate for City to take \$2 million dollars of TAB funding for more infrastructure.
- County wanted to get rid of it so they made impossible conditions in order to continue the lease. This means there is some kind of liability involved. There is always cost with owning and maintaining property.
 - Jason Patin – will have the same cost that we have been paying but we increase our assets and get back out infrastructure.

Motion To Approve Consent Calendar Item No. 9 Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Item No. 10 Discussion

Dave Matthews

- Questioned whether this rate increase was based on Lindsey Stevens recommendations or was this already in the works.
 - Jason Patin – this is the Kerr McGee Sports Complex, not the center

Motion To Approve Consent Calendar Item No. 10 Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

Item No. 12 Discussion

Stan Rajtora

- Questioned if the money was already budgeted and if the cost is overhead.
- Requested clarification of the expansion municipal services.
 - Keith Lemieux – responded. Work was already done and anticipates additional work to be done. Covered under closed session.

Mike Neel

- Want to know what we are approving the funding for, will Counsel not tell us what services we are paying for. Inclined to put a lawsuit against the City for violating the Brown Act. Suggested additional work for bringing a casino to town and other scenarios. Encouraged public to track actual expenditures resulting from the casino.

Motion To Approve Consent Calendar Item No. 12 Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders, And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

PUBLIC HEARING

16. Public Hearing And Proposed Action To Approve A Resolution Of The City Council Of The City Of Ridgecrest Certifying The Environmental Impact Report (EIR) Prepared For The Construction Of A New Wastewater Treatment Plant On Two Alternative Sites Or Adopting A “No Project Alternative”; Adopting The California Environmental Quality Act Findings Of Fact; And Adopting The Mitigation Monitoring And Reporting Program

Speer

Dennis Speer

- Introduced representatives from Provost & Pritchard who provided a PowerPoint presentation to Council regarding the draft EIR.

Jim Sanders

- Questioned considerations for endangered species and what mitigation measures are we responsible for regarding mosquitos and rodents.
 - Reviewed mitigation measures for protected or sensitive species and pests listed in the report.

Peggy Breeden

- Requested clarification of the hydrology and water impacts between sites and the impact of reversing the de-designation of the water.
- Requested clarification of the off-road park impacts and mitigations and whether the impacts have been factored into our costs.

Lori Acton

- Typographical error under cultural resources indicates county of Fresno.
- Requested clarification of size differences and locations.

Public Comment

Stan Rajtora

- Impacts 9A and 9F are stated as significant and unavoidable. This means it can't be mitigated. Sent in comment suggesting the only thing we needed to do to mitigate is to recycle and sell the water then very little water would percolate and we wouldn't have the impact. Response received back stated it was out of the scope of the facility plan being looked at therefore was out of scope for the EIR. One comment sent in was the lack of plan pertaining to secondary water that could be sold as a commodity.

Stan Rajtora *(continued)*

- Familiar with SIGMA and this valley will have to do something with recycled water. Never got a response to my questions. Description and design of plant relative to recycled water is vague and unclear. Need a plan before adopting an EIR.
- Pointed out we could save \$4 million by avoiding putting additional pumps which would go a long way towards the cost of a tertiary facility.
- Spoke on Alternate site north of hwy. 178 comment and response was the alternative was not in the plan and out of scope so not going to talk about it. Feel this is a logical alternative but since wasn't in the plan then wasn't considered as mitigation measure. Feeling is the plan is the problem and not the impact. Could get land from BLM and is in the map in the Lahontan response.
- Third comment is impact 8E and 8F stating no safety risk due to Navy aircraft. My comment is the Ridgecrest General Plan EIR states the Navy planes create a significant and unavoidable safety risk. Response received was it is true but the Navy states there is no risk. This is a Navy document and as early as 2004 they stated there is no safety risk. Commented on past council decisions declaring there is a risk when Navy says there is no risk. What is on record for the general plan is the city says there is a risk from Navy planes. The fact the Navy says there isn't does not matter, the City has it on record there is a risk. 2015 EIS says the exact same thing as the 2004 EIS so Navy still thinks there is no risk when the City says there is a risk. Commented in the Navy hearings and they came back that City says there is no safety impact. Navy lied in their EIS. Between the Navy and City they could talk to each other. The Division Head was sitting here when the City said there was a risk. The 2009 general plan update required and EIR. In that EIR the City states clearly the Navy aircraft creates a significant risk and at the end stated the risk was still not mitigated. Think City and Navy need to get together to decide what is going on.
- Questioned if anyone has read the Kern County Airport Land use management plan. Kern County ignores it totally, if there was a significant impact the county would have said something. We have the Navy and County both saying there is no risk. Related previous conversation. City's position on the Navy's safety is the Navy is creating a significant risk. Sites are directly under the flight path. Requested we not certify the EIR until two things happen. Would like to see the City have a real plan for the treatment plant. Secondly need to determine if the Navy is a safety threat or not. Need to be consistent. Don't like the City says yes one day and no the next, be consistent.
 - Dennis Speer – have been preparing plans and specs for 40 years and it is inappropriate to develop plans before and EIR. Design is not done before environmental.
 - Keith Lemieux – legal reason is the EIR is to inform the design.

Stan Rajtora *(continued)*

- The fact we have not addressed recycled water means the EIR is incomplete. Need to have consistency in what we do. If going to raise the fee because of a tertiary plant then need a preliminary design that includes the tertiary plant.
 - Dennis Speer – requested not confusing the environmental process with the final design and plan process. The final project report will come back for discussion and decision.
- I would prefer to not see final anything until the public has the opportunity to see the drafts and put forward questions and get the necessary answers.
 - Peggy Breeden – asked Mr. Rajtora to provide the questions to Council that he felt had not been answered.
- Don't need a final design but a finished preliminary design and a final decision regarding the navy planes.
- The City made no comments on the EIS.
 - Jim Sanders – the EIS from the general plan needs to be redone. Does not impact what we are doing now. Confused in what you want the City to do right now. Can't speak to the general plan tonight but don't want to delay this process because the general plan from 2009 says something different than this.
- City is still working under the assumption that the Navy creates a risk.
 - Jim Sanders – I don't think the 2009 has an impact on this project today; we can look at that later for consistency. Want to discuss this project tonight.
- What if the people from 2009 were right?
 - Dawn – the EIR identifies if the project has an impact on the environment.
 - Jim Sanders – if you have planes flying over a residential neighborhood versus a treatment plant with fewer people. Risk is not an absolute.
- I tried for 10-15 minutes to convince the Council the Navy planes were safe and what is the impact if it happens. The consultant stated the planes were not safe and could crash anyplace.
 - Jim Sanders – this has no impact on what we are doing tonight.
- Need to find out why the Navy lied about what the City said. Need to find out.
 - Peggy Breeden – regardless of the vote tonight, can Dennis work with the Navy to address this.
 - Jim Sanders – can't go back into history to investigate who said what.
- There is video showing what was said and it is not inconsequential.
 - Dawn – reviewed the EIR covering the tertiary mitigation measures which includes the golf course, reclamation fields and schools.
 - Terry – reviewed the Lahontan designations. Same impact when using recycled water regardless of where it is used. Explained the salts and deposits. Tertiary would have a higher clear but same amount of salts.
 - Dawn – reviewed the alternate site components. We were given these sites and have met sufficiency in complying with CEQUA.

Stan Rajtora *(continued)*

- Agree with the statement because they were only given certain sites. This leads back to my statement of the need for a comprehensive preliminary plan. Also need to address the issue of the salt. Spoke on the research being done with direct tertiary reuse and California completing a study of direct potable use.
- Another thought was to sell the water to Trona for commercial use. Good secondary water would work. We have a long way to go.

Dave Matthews

- I didn't even know the comment period was open let alone and EIR for this project.
- Ridgecrest site consists of acreage in both Kern and San Bernardino. Did not know this information. Should be consistent with language.

Don Joe McKernon

- Hats off to the consultant, it was done to the scope asked of them. I submitted questions and received cookie cutter answers. My question was location of plant adjacent to Bowman road and I object as I have property next to it.
- Tertiary water would be clearer and would not have any salts in it. Before approving the plan have to know what you want and how much to spend. This item is just to approve the environmental. Thank you.

Peggy Breeden

- Would like to see the project more fully defined but don't think it applies to what we need to do tonight.
 - Dennis Speer – once environmental is completed then have a decision of location and project report to make decision of design.

Jim Sanders

- Requested what we do from this point.
 - Mrs. Markel – restated the action requested to adopt the EIR and reviewed the next step.
- Clarified certification according to CEQUA guidelines and if staff has reviewed to meet these guidelines.
 - Keith Lemieux – consultant was paid to meet those guidelines and the proper notices have been published.
 - Dawn Markel – reviewed the process taken to date and verified all CEQUA guidelines have been met.
 - Dennis Speer – reviewed the scope of work originally put into agreement did not include tertiary but because of more recent water issues the project expanded but the CEQUA process as originally started with just a treatment plant. Design could include tertiary as an add on.

Motion To Approve A Resolution Of The City Council Of The City Of Ridgecrest Certifying The Environmental Impact Report (EIR) Prepared For The Construction Of A New Wastewater Treatment Plant On Two Alternative Sites Or Adopting A “No Project Alternative”; Adopting The California Environmental Quality Act Findings Of Fact; And Adopting The Mitigation Monitoring And Reporting Program Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

RECESS

- Keith Lemieux Amended resolution typo to reference attachment A rather than attachment B.

Motion To Approve Amended Resolution Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders and Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas and Mower)

DISCUSSION AND OTHER ACTION ITEMS

17. Nomination And Appointment To The Ridgecrest Planning Commission To Fill Vacancy Ford

- Item No. 17 pulled prior to approval of the agenda

18. Proposed Action To Approve A Resolution Supporting The 2016 Petroglyph Festival As A Signature Event Of The City Of Ridgecrest And Authorize Special Event Insurance and In-Kind Services For The Event Ford

Rachel Ford

- Presented staff report

Public Comment

Mike Neel – clarified the \$8000 was not being used this year.

Motion To Approve A Resolution Supporting The 2016 Petroglyph Festival As A Signature Event Of The City Of Ridgecrest And Authorize Special Event Insurance And In-Kind Services For The Event Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

19. Proposed Action To Approve A Resolution Establishing A Voting Delegate And Alternate For The League Of California Cities Annual Conference Ford

Rachel Ford

- Presented staff report

Mayor Breeden

- Designated Jim Sanders as League Of California Cities voting delegate and Lori Acton as 1st alternate

Motion To Approve A Resolution Designating A Voting Delegate And Alternates For The League Of California Cities Annual Conference Made By Council Member Acton, Second By Council Member Sanders. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders and Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas and Mower)

20. Proposed Action To Approve The Draft Letter Of Opposition Regarding Closure Of The Antelope Valley Cancer Center Radiation Therapy Department – Ridgecrest Branch Breeden

Peggy Breeden

- Presented staff report

Dave Matthews

- Confirmed suggestion to send copy to Medicare
- Every other week for a day they are treating patients.

Minute Motion To Approve A Letter Of Opposition To The Antelope Valley Cancer Center For Closure Of The Radiation Therapy Department Made By Council Member Sanders, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders and Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas and Mower)

21. Presentation, Discussion, And Proposed Action To Approve By Minute Motion In-Kind Services For The Blue Zones Health And Wellness Community Speaker Event Sponsored By The Ridgecrest Regional Hospital Breeden

Peggy Breeden

- Introduced Justin O'Neill to provide background and project information.

Justin O'Neill and Tara Moorhead

- Presented PowerPoint explaining the Blue Zone Project

Jim Sanders

- Think this is a great idea and support it.

Lori Acton

- Commented on this being a draw for economic development. Suggested walking parks like Petroglyph Park. Youth centers and focus, as far as the request for City does IT need to be there the whole time and the building set up was similar to the outlook conference.
 - IT would not need to stay for the whole event, just setup and breakdown.

Public Comment

Mike Neel

- Asked council if they have done research about the blue zone approach before tonight.
 - Peggy Breeden – have read the book and am excited to see what this can do for me. Other communities have had up to 250 people attend a conference and anyone coming here would boost our TOT and sales tax for that time frame.
- Read articles about this today, one was about the pervasive communal pressure created on the citizens. We have heard the term collaboration and this means local governments and schools will be pressured to implement these things. This is like tentacles reaching out and pushing people to get well and healthy according to this one particular gentleman. Why this one and not others. This is not a function of government. If health officials want to push this then let them pay to use our facilities. I object to the free use of our facilities. Hospital has money, my wife needed a CT scan and they wanted to charge us \$4000 but Lancaster only charged \$700. If I wanted to use the facility then I would have to pay for it. Do not think this is equitable and if they want to use our facilities then they should pay for it.

Dave Matthews

- Questioned the statement that it is not the norm to be healthy and where the statistics came from.

Jim Sanders

- Hoping this is a bottom up push not a top down push. Hoping this is a collaboration that goes in line with the public's desire to become more healthy. Are you talking about removing road blocks?

Justin O'Neill

- Explained the process beginning with a pledge that creates a ground swell in the public and uses the assets we already have. Spoke on the increased use of the new walking path to the college.

Tara Moorhead

- Related experience of using the Fit Bit and creating an atmosphere for people to make healthy decisions.

Justin O'Neill

- Spoke on the social media videos and information that is provided on their website. Goal is to provide things to create movement.

Lori Acton

- It helps to get up and do things. I have lost 191 pounds just by walking and there is a side effect to being healthy like being more inclined to be a more engaged part of society

Peggy Breeden

- I agree with Mike Neel about this not being the City's responsibility, I am donating the funds to cover the cost of the function.

Justin O'Neill

- Announced a presentation and demonstration.

Minute Motion To Approve In-Kind Services Made By Council Member Sanders, Second By Council Member Acton. Roll Call Vote Resulted In 2 Ayes (Council Members Sanders And Acton); 1 No (Mayor Breeden), 0 Abstain, And 2 Absent (Council Members Thomas And Mower). Motion Did Not Carry As A Majority Council Vote Was Not Received Per City Attorney Keith Lemieux

22. Proposed Action To Appoint A Member Of Council To The Board Of Directors Of The Kern Economic Development Corporation Breeden

Peggy Breeden

- Presented staff report and nominated Jim Seuver as City of Ridgecrest representative on the Kern Economic Development Corporation board of directors.

Minute Motion Confirming Appointment To The Kern Economic Development Corporation Board Of Directors Made By Council Member Breeden, Second By Council Member Acton. Motion Carried By Roll Call Vote Of 3 Ayes (Mayor Breeden, Council Members Sanders And Acton); 0 Noes; 0 Abstain; And 2 Absent (Council Members Thomas And Mower)

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: 4th Wednesday each month at 5:00 p.m. as needed
Location: Council Conference Room B

- No Report

Infrastructure Committee

Members: Jim Sanders; Mike Mower
Meeting: 4th Thursday each month at 5:00 p.m. as needed
Location: Council Conference Room B

- Discussed the Bowman Channel crossings
- Reports on Walmart project

❖ **Ad Hoc Water Conservation Committee**

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

- No report

Parks, Recreation, and Quality of Life Committee

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

- Will be organizing a meeting

❖ **Ad Hoc Youth Advisory Council**

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

- No report

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

Members: Eddie Thomas; Lori Acton
Meeting: 3rd Tuesday every other month at 4:00 p.m. as needed
Location: Kerr McGee Center Meeting Rooms

- No report

Ridgecrest Area Convention And Visitors Bureau (RACVB)

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

Lori Acton

- Read directors report (*attachment A*)

OTHER COMMITTEES, BOARDS, OR COMMISSIONS

- none

CITY MANAGER REPORT

Dennis Speer

- Attended TAC meeting and report of 3 applications submitted by City of Ridgecrest were accepted for review

MAYOR AND COUNCIL COMMENTS

Jim Sanders

- none

Lori Acton

- Good Night

Peggy Breeden

- Requested Stan Rajtora to provide unanswered questions
- Update on lights for the new RACVB sign. SCE will not install until old sign is removed.

ADJOURNMENT at 11:05 p.m.

Rachel J. Ford, CMC
City Clerk

Monthly Director's Report for RACVB

For June 2016

Held at Kerr McGee Center

July 6, 2016

- ❖ Elaine Hanson of Ridgecrest Bureau of Land Management, is nominated for a COLA (**California on Location Award**) for "Federal Employee of the Year 2016", awards ceremony will be held at Beverly Hilton on Sunday November 13, 2016.
- ❖ "Ridgecrest Public Petroglyph Paintings 1 through 10", Don McCauley has painted 8 of the 10 panels, at various locations. "There's an art-making process for each petroglyph panel in this public art series".
- ❖ "Open Skies" "a policy that's pro-growth, pro-competition and pro-traveler will NOT freeze new routes from Middle Eastern carrier's routes, which would cause decline in service, unfair increases in price and spell negative consequences across U.S. Economy".
- ❖ August 4, 2016 – Doug Lueck will attend Film Liaison in California Statewide (**FLICS**) Board of Directors meeting then a studio tour in Newhall. August 5, 2016 Doug, will then attend FLICS Retreat, at the Film LA facility in Los Angeles.
- ❖ June 18 – 22, 2016 –Doug Lueck attended International POW Wow (IPW) held at New Orleans, Louisiana. 42 appointments with Buyers (Tour Operators) from International countries interested in "leisure" travel. Objective was to promote tourism in Ridgecrest.

FILMING: Ridgecrest Regional Film Commission

For the month of **June 2016**, there was a total of **3** productions for the Ridgecrest Film Commission.

At **Inyokern Airport**, there was also **2** productions for **June 2016** filming.

Next RACVB Board of Director's meeting will be held, Wednesday **August 3, 2016** location will be Kerr McGee Center.

7

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

SUBJECT:

Nomination and Appointment to fill a vacancy on the Planning Commission

PRESENTED BY:

Rachel J. Ford – City Clerk

SUMMARY:

City of Ridgecrest has received a letter of resignation from Planning Commissioner Scott Davis.

Mr. Davis was appointed by Mayor Pro Tempore Jim Sanders therefore Mr. Sanders will be nominating a replacement to fill the vacancy until expiration of the term in December 2016.

A new Planning Commission will be appointed in January 2017 after the General Municipal Election.

FISCAL IMPACT:

None

Reviewed by Finance Director

ACTION REQUESTED:

Nomination and confirmation of appointment to planning commission

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

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

Action Date: July 20, 2016

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

SUBJECT:

Adoption Of A Resolution And Introduction And First Reading, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code By Establishing A Temporary Transactions And Use Tax To Be Administered By The State Board Of Equalization And Placing The Measure On The Election Ballot For November 8, 2016

PRESENTED BY:

Dennis Speer, City Manager

SUMMARY:

Local governments throughout California have the responsibility to provide a range of basic services and are often expected to provide enhanced services as well. The cost of maintaining those services often exceeds the resources available to local governments. This imbalance is exacerbated when the state determines that state needs are a higher priority than those of the local governments. The unbalanced relationship between local and state governments permits the state to raid local funds which further strains the ability of local governments to provide the services expected by local residents.

The state has repeatedly exercised its right to take money from local governments through a variety of means (i.e. Redevelopment Agency dissolution, Educational Reimbursement Augmentation Fund, Supplemental Educational Reimbursement Augmentation Fund, Vehicle License Fees, booking fees, and several others).

In 2012, the citizens of Ridgecrest enacted a local sales tax to provide local funding to provide adequate resources for the City to protect public safety services and road maintenance services. The sales tax is currently scheduled to sunset in 2017. The current financial condition of the City does not afford the City the resources needed to meet these resident demands in the absence of the sales tax.

Continued local funding is needed to maintain current levels of public safety and police services, including neighborhood patrols, crime prevention and investigation programs, and 9-1-1 response times and to continue repairing major streets potholes;

Existing voter-voter approved local funding supports 15 police officer positions. Without continued local funding, half of Ridgecrest's police budget and the entire road repair budget would be cut.

Continued local funding is needed to prevent cuts and maintain City of Ridgecrest services, including fixing city streets and potholes, 9-1-1 emergency response times, crime prevention and investigation, neighborhood police patrols, and the number of current number of police officers.

This item requests approval from the City Council to place an item on the November 8th ballot for a limited term (12 years) 1% local sales tax measure to provide funding for the City to maintain the level of public safety and road maintenance that residents demand and expect.

Approval of this item will not, in and of itself, make any changes to the tax rate. Instead, it will place the measure on the ballot for Ridgecrest voters' consideration.

FISCAL IMPACT:

Undetermined

Reviewed by Finance Director

ACTION REQUESTED:

1. Approve A Resolution Ordering The Submission To The Qualified Electors Of The City Of Ridgecrest A Measure Relating To The Establishment Of A Temporary Transactions And Use Tax (Sales Tax) At The General Election To Be Held On Tuesday, November 8, 2016, As Called By Resolution Nos. 16-49 And 16-50
2. Motion To Waive Reading In Full Of An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code By Establishing A Temporary Transactions And Use Tax To Be Administered By The State Board Of Equalization And Placing The Measure On The Election Ballot For November 8, 2016
3. Motion To Introduce, By Title Only, An Ordinance Of The City Council Of The City Of Ridgecrest Amending The Ridgecrest Municipal Code By Establishing A Temporary Transactions And Use Tax To Be Administered By The State Board Of Equalization And Placing The Measure On The Election Ballot For November 8, 2016

CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:

Action as requested:

Approve The Resolution Placing A Temporary Transactions And Use Tax Measure On The Election Ballot Of December 8, 2016; Approve A Motion To Waive Reading In Full Of The Temporary Transactions And Use Tax Ordinance As Presented And Approve A Motion To Introduce, By Title Only, The Temporary Transactions And Use Tax Ordinance As Presented.

Submitted by: Dennis Speer
(Rev. 6/12/09)

Action Date: July 20, 2016

RESOLUTION NO. 16-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIDGECREST ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF RIDGECREST A MEASURE RELATING TO THE ESTABLISHMENT OF A TEMPORARY TRANSACTIONS AND USE TAX (SALES TAX) AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, AS CALLED BY RESOLUTION NO. 16-49

WHEREAS, continued local funding is needed to prevent cuts and maintain City of Ridgecrest services, including fixing city streets and potholes, 9-1-1 emergency response times, crime prevention and investigation, neighborhood police patrols, and the number of current number of police officers;

WHEREAS, continued local funding is needed to maintain current levels of public safety and police services, including neighborhood patrols, crime prevention and investigation programs, and 9-1-1 response times;

WHEREAS, existing, voter-approved local funding has helped repair major streets and fix potholes in Ridgecrest and is needed to continue the work to repair neighborhood streets and fix potholes;

WHEREAS, Ridgecrest streets have more than \$60 million of deferred maintenance, just to keep them in good working condition;

WHEREAS, without continued local funding, half of the Ridgecrest police budget and all of the road repair budget will be cut;

WHEREAS, without continued local funding, 15 police officer positions who patrol our neighborhoods would be cut;

WHEREAS, by law, all funds from this measure must stay in Ridgecrest to maintain local services. None of it can be taken by Sacramento or County;

WHEREAS, this measure requires independent resident oversight, mandatory financial audits, and yearly reports to the community to ensure the funds are spent in a fiscally prudent manner;

WHEREAS, on January 11, 2012, the Ridgecrest City Council declared a Fiscal Emergency for the City of Ridgecrest; and

WHEREAS, the previously adopted local sales tax with expire under its own terms; and

WHEREAS, on October 6, 1997, Assembly Bill 1472 became law adding Chapter 2.93 commencing with Section 7286.52 to Part 1.7 of Division 2 of the Revenue and Taxation Code; and

WHEREAS, California Constitution Article XIII C Section 2(b) added by Proposition 218 effective November 1996, requires that a measure proposing a general tax be submitted to the voters at an election consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, on the City Council, passed Resolution No. 16-49, calling a General Municipal Election to be held on November 8, 2016, and requested the County Board of Supervisors to approve consolidation of the election with the Statewide General Election to be held on the same day; and

WHEREAS, pursuant to California Constitution Article XIII C Section 2(b) and Elections Code Section 10201, the City also desires to submit to the electors at the General Election a measure to enact an ordinance establishing a transactions and use tax;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIDGECREST, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER as follows:

Section 1. That the City Council, pursuant to its right and authority, does order submitted to the electors at the General Municipal Election the following question:

“Ridgecrest Public Safety and Essential City Services Measure. To help prevent cuts and maintain City of Ridgecrest services, including: city streets and pothole repair; police officers and neighborhood police patrols; 9-1-1 emergency response times; crime prevention and investigation; and other city services, shall the City of Ridgecrest enact a one cent sales tax, providing \$4,000,000 annually for 12 years, requiring a citizen's oversight committee, annual independent audits, with all funds for City of Ridgecrest services only, and no funds for Sacramento?”

_____ Yes _____ No

Section 2. The City Clerk is hereby directed to forward a copy of Resolution No. 16-49 and this Resolution to the County Clerk for inclusion in the ballot for the November 8, 2016, General Municipal Election.

Section 3. The proposed Ridgecrest Vital City Services Measure will pass only if a majority of the votes cast by electors voting on the measure are “yes” votes and will, if passed, take precedence over any other conflicting measure receiving less votes in this election.

Section 4. The City Council hereby directs the City Attorney to prepare an impartial written analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on existing law and the operation of the measure. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

Section 5. The City Council hereby authorizes its members to file written arguments for or against the measure described above to this resolution. All written arguments filed by any person in favor or against the measure shall be accompanied by the names and signatures of the persons submitting the arguments as required by applicable law and any names, signatures and arguments may be filed until the time and date fixed by the City Clerk, after which no change may be submitted to the City Clerk unless permitted by law.

Section 6. The proposed Ordinance amending Chapter III, Article 2 of the Ridgecrest Municipal Code establishing a Temporary Transactions and Use Tax, attached hereto as Exhibit "A", the text of the measure, together with the City Attorney's impartial analysis, and any arguments for or against the measure, to be mailed to all qualified electors with the ballot. In addition to other notices and publications required by law, the City Clerk, not less than forty (40) days and not more than sixty (60) days before the General Municipal Election, shall cause the text of the measure to be published once in the official newspaper. The City Clerk is authorized to give such notices and to fix such times and dates as are required by law or which are appropriate to properly conduct the election.

Section 7. The provisions of Resolution 16-49 refer to more particulars concerning the General Municipal Election to be held on November 8, 2012, and in all respects the election shall be held and conducted as provided for by applicable law. The City Clerk is authorized and directed to procure and furnish any official ballots, notices, printed materials, and all supplies or equipment that may be necessary in order to properly and lawfully conduct the election.

PASSED, APPROVED AND ADOPTED on July 20, 2016, by the following roll call vote:

AYES:
NAYS:
ABSTAIN:
ABSENT:

Peggy Breeden, Mayor

ATTEST:

Rachel J. Ford, CMC, City Clerk

APPROVED AS TO FORM:

By: _____
W. Keith Lemieux, City Attorney

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* * * D R A F T * * *
ORDINANCE NO. _____

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

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

1. Purpose.

This Ordinance amends the Ridgcrest Municipal Code in order to change the term and amount of a temporary transactions and use tax.

2. Amendment.

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

"Article 2. Temporary Transactions and Use Tax

3.2.101. Purpose and Operative Date.

(a) The purpose of this article is to impose a retail transactions and use tax in accordance with the provisions of the Revenue and Taxation Code which authorizes the City to adopt this tax if a majority of the qualified voters of the City vote to approve the imposition of the tax. Unlike the tax described in Article 3 of this Chapter, this tax is set for a fixed term of ~~twelve~~twelve years from the Operative Date.

(b) "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the later of the adoption of this ordinance and article, the date of such adoption being as set forth on the ordinance that adopted this article, or the approval of the voters of the City of a measure approving the imposition of the transaction and use tax set forth herein; provided, that if the City shall not have entered into a contract with the State Board as required herein prior to such date, the Operative Date shall be the first day of the first calendar quarter following execution of such a contract.

(c) Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax article; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Sec. 3-2.102. Transactions Tax Rate.

Commencing on the Operative Date and continuing for a period of ~~five~~five years following this date, for the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at a rate of ~~seventy-five one~~

~~hundredths of~~ one percent (~~0.751~~%) of the gross receipt of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this article. Such tax shall be in addition to any other transaction (sales) tax imposed by this Code or applicable state law. ~~Specifically, this tax shall be imposed in addition to the sales and use tax imposed by Section 3-3.102 of this Code.~~

Sec. 3-2.103. Place of Sale.

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

Sec. 3-2.104. Use Tax Rate.

Commencing on the Operative Date and continuing for a period of ~~five-twelve~~ years following that date, an excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on or after the Operative Date of this article for storage, use, or other consumption in the incorporated territory of the City at a rate of ~~seventy-five one hundredths of~~ one percent (~~0.751~~%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax, regardless of the place to which delivery is made. Such tax shall be in addition to any other use tax imposed by this Code or applicable to state law. Specifically, this tax is in addition to the ~~use~~ tax imposed by 3-3.102 of this Code.

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

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

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

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

(a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

(2) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State

Board of Equalization, in performing the functions incident to the administration or operation of this article;

(3) In those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(a) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or

(b) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that Code;

(4) In sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.

(b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition to that phrase in Section 6203.

Sec. 3-2.107. Permit Not Required.

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

Sec. 3-2.108. Exemptions and Exclusions.

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

(b) There are exempted from the computation of the amount of transactions tax and gross receipts from:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

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

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

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

(5) For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this article, the storage, use or other consumption in this City of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax article.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this article.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this article.

(5) For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

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

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

Sec. 3-2.109. Amendments.

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

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

Sec. 3-2.110. Enjoining Collection Forbidden.

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

Sec. 3-2.111. Severability.

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

Sec. 3-2.112. Use of Tax Proceeds.

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

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

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

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

(a) The Citizens' Oversight Committee shall consist of five members appointed by the City Council. Three members shall constitute a quorum. The City Manager shall appoint an ex-officio staff person to serve as the secretary and custodian of records who shall not have a vote.

(b) Upon their appointment and during their incumbency, members of the committee shall be and remain residents of the City; provided, however, that City employees, other city officials, and City vendors shall not be qualified to serve as committee members at any time they occupy such positions or are engaged in such business. Should a member cease to be a City resident, that office shall be deemed vacant and the term of such member terminated. The secretary shall notify the City Council and City Manager of such termination as soon as administratively possible.

(c) All members of the committee shall serve at the pleasure of the City Council and may be removed by a majority vote of the City Council at any time.

Sec. 3-2.115. Terms of Office.

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

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

Sec. 3-2.116. Organization.

(a) Each January, a board, commission, or committee shall annually organize and elect a chairperson and vice-chairperson from its membership for a one-year term. In the chairperson's or vice-chairperson's absence or disability, the committee may designate a chairperson or vice-chairperson *pro tempore*.

(b) Regular meetings shall be held on the day and time established by resolution of the board, commission, or committee as amended from time-to-time.

(c) Each board commission or committee shall establish a procedure for calling special meetings and may also adopt application requirements, meeting procedures, and other reasonable rules and regulations for conducting business. Minutes shall be kept of all meetings

and the secretary shall deliver copies of minutes to the City Manager and City Clerk for filing and distribution to City Council members.

(d) Any board, commission, or committee may designate one of its members, or a subcommittee composed of not more than two members, to study, review, consider, or make recommendations concerning any matter within its purview, provided that, a board, commission, or committee authorized to consist of seven members may designate one of its members, or a subcommittee composed of not more than three members, to study, review, consider, or make recommendations.

Sec. 3-2.117. Duties.

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

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

(c) In order to preserve the integrity and independence of the oversight process, committee members will not play a formal role in contracting, project management, construction, or any other aspect of the public safety funding. In addition, the committee is not charged with decision-making on spending priorities, construction schedules, project details, funding source decisions (e.g., leveraged funds, developer fees, etc.), financing plans, tax rate assumptions, or selection of consultants, design, and construction firms."

3. Effective Date.

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

3. Other

Accept as otherwise provided herein the Ridgecrest Municipal Code is Reaffirmed and Readopted.

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

AYES:
NOES:
ABSENT:

ABSTAIN:

Mayor

ATTEST:

Rachel J. Ford, City Clerk

(Seal)