

**ALL CELL PHONES AND ELECTRONIC DEVICES MUST BE
TURNED OFF IN THE COUNCIL CHAMBERS**

**A G E N D A
JOINT MEETING OF
REEDLEY CITY COUNCIL AND
THE SUCCESSOR AGENCY TO THE
FORMER REEDLEY REDEVELOPMENT AGENCY**

7:00 p.m.

TUESDAY, November 12, 2019

**Meeting Held in the Council Chambers
845 "G" Street, Reedley, California**

The Council Chambers are accessible to the physically disabled. Requests for additional accommodations for the disabled, including auxiliary aids or services, should be made one week prior to the meeting by contacting the City Clerk at 637-4200 ext. 212.

Any document that is a public record and provided to a majority of the City Council regarding an open session item on the agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such documents may be posted on the City's website.

Unless otherwise required by law to be accepted by the City at or prior to a Council meeting or hearing, no documents shall be accepted for Council review unless they are first submitted to the City Clerk by the close of business one day prior to said Council meeting/hearing at which the Council will consider the item to which the documents relate, pursuant to the adopted City Council Protocols.

City of Reedley's Internet Address is www.reedley.ca.gov

Frank Piñon, Mayor

Mary Fast, Mayor Pro Tem
Anita Betancourt, Council Member

Robert Beck, Council Member
Ray Soleno, Council Member

MEETING CALLED TO ORDER

INVOCATION – Joel Kersey, Pastor of Student Ministries, Reedley Mennonite Brethren Church

PLEDGE OF ALLEGIANCE

ROLL CALL

AGENDA APPROVAL – ADDITIONS AND/OR DELETIONS

PUBLIC COMMENT – *Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than three (3) minutes. No more than ten (10) minutes per issue will be allowed. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the Council as each item is brought up for discussion.*

NOTICE TO PUBLIC

CONSENT AGENDA items are considered routine in nature and voted upon as one item. Under a **CONSENT AGENDA** category, a recommended course of action for each item is made. Any Council Member may remove any item from the **CONSENT AGENDA** in order to discuss and/or change the recommended Course of action, and the Council can approve the remainder of the **CONSENT AGENDA**. A Council Member's vote in favor of the **CONSENT AGENDA** is considered and recorded as a separate affirmative vote in favor of each action listed. Motions in favor of the **CONSENT AGENDA** are deemed to include a motion to waive the full reading of any ordinance on the **CONSENT AGENDA**. For **adoption of ordinances**, only those that have received a unanimous vote upon introduction are considered **CONSENT** items.

CONSENT AGENDA (Item 1-13)

Motion _____ 2nd _____

1. APPROVE MAYOR'S NOMINATION TO FILL THREE AIRPORT COMMISSION POSITIONS WITH THE APPOINTMENT OF BUTCH AGRIFOGLIO, JOSEPH OLDHAM, AND RE-APPOINTMENT OF CARL SMITH. – (City Clerk)
Staff Recommendation: Approve
2. APPROVE A RECOMMENDATION BY THE COMMUNITY SERVICES COMMISSION TO AWARD COMMUNITY RECREATION GRANTS IN THE AMOUNT OF \$350.00 EACH TO THE REEDLEY YMCA COMMITTEE, THE REEDLEY HIGH SCHOOL PIRATE BAND BOOSTERS AND THE REEDLEY HIGH SCHOOL PARENTS OF A SOBER GRADUATION. – (Community Services)
Staff Recommendation: Approve
3. APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN THE REEDLEY OPERA HOUSE USE AGREEMENT WITH RIVER CITY THEATRE COMPANY (RCTC) FOR A FIVE-YEAR TERM. – (Community Services)
Staff Recommendation: Approve
4. APPROVE AND AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR REIMBURSEMENT OF OFFSITE IMPROVEMENTS ASSOCIATED WITH SPR 2017-3. – (Community Development)
Staff Recommendation: Approve
5. APPROVE AND AUTHORIZE CITY MANAGER TO EXECUTE A SERVICES AGREEMENT WITH DAVID WELLHOUSE & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$4,500 FOR PREPARATION AND FILING OF CLAIMS FOR STATE MANDATED COST (SB90) REIMBURSEMENT. – (Administrative Services)
Staff Recommendation: Approve
6. APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN AN AGREEMENT WITH THE COUNTY OF FRESNO FOR CONTINUED PARTICIPATION IN THE FRESNO COUNTY ADULT COMPLIANCE TEAM (ACT). – (Police)
Staff Recommendation: Approve

7. APPROVE AND AUTHORIZE CITY MANAGER TO SIGN ON BEHALF OF THE CITY OF REEDLEY AN AGREEMENT WITH CENTRAL VALLEY FORENSIC NURSING SPECIALISTS FOR SEXUAL ASSAULT FORENSIC EVIDENCE EXAMINATIONS. – (Police)
Staff Recommendation: Approve
8. UPDATE FOR PUBLIC HEARING RELATED TO ADOPTION OF RESOLUTION NO. 2019-090 FOR PROPOSED ANNEXATION OF TRACT 6206 ALMOND GROVE INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1. – (Community Development)
Staff Recommendation: **No action to be taken**
9. UPDATE FOR PUBLIC HEARING RELATED TO ADOPTION OF RESOLUTION NO. 2019-089 FOR PROPOSED ANNEXATION OF TRACT 6196 SELF-HELP INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1. – (Community Development)
Staff Recommendation: **No action to be taken**
10. ADOPT RESOLUTION 2019-100 ESTABLISHING A REVISED CAPITAL FINANCING AND DEBT MANAGEMENT POLICY. – (Administrative Services)
Staff Recommendation: Approve
11. APPROVAL OF ITEMS PERTAINING TO PROFESSIONAL AUDIT SERVICES FOR THE CITY OF REEDLEY.
 - A. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A LETTER OF ENGAGEMENT WITH BRYANT L. JOLLEY CERTIFIED PUBLIC ACCOUNTANTS FOR PROFESSIONAL AUDIT SERVICES.
 - B. ADOPT RESOLUTION NO. 2019-102 AMENDING THE FY 2019-20 ADOPTED BUDGET TO APPROPRIATE \$5,000 IN THE GENERAL FUND AND ADDITIONAL UTILITY ENTERPRISE FUNDS TO COVER A HIGHER THAN BUDGETED COST FOR THE CITY'S ANNUAL FINANCIAL AUDIT.

(Administrative Services)
Staff Recommendation: Approve
12. ADOPT RESOLUTION NO. 2019-104 AMENDING THE FISCAL YEAR 2019-2020 ADOPTED BUDGET TO APPROPRIATE SUFFICIENT FUNDS TO COVER ADDITIONAL COSTS FOR DESIGN AND ENGINEERING SERVICES FOR THE REPLACEMENT OF THE SEWER TRUNK PIPELINE FROM REED AVE. TO THE WASTE WATER TREATMENT PLANT. – (Public Works)
Staff Recommendation: Approve
13. ADOPT RESOLUTION NO. 2019-105 APPROVING THE IMPROVEMENT AGREEMENT AND EXPANDED DIF REDUCTION FOR TRACT MAP 5263 (MONTE VISTA) – (Community Development)
Staff Recommendation: Approve

PUBLIC HEARING

ORDINANCES - *With respect to the approval of ordinances, the reading of the title thereto shall be deemed a motion to waive a reading of the complete ordinance and unless there is a request by a Council Member that the ordinance be read in full, further reading of the ordinance shall be deemed waived by unanimous consent of the Council.*

14. CONSIDER ACTION RELATED TO ANNEXATION OF TERRITORY (ANNEXATION NO. 16) TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT 2005-1 (Public Services) WHICH INCLUDES THE FOLLOWING:

A. ADOPT RESOLUTION NO. 2019-098, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY OF ANNEXATION OF TERRITORY TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND SUBMITTING THE QUESTION OF LEVYING A SPECIAL TAX WITHIN THE AREA PROPOSED TO BE ANNEXED TO QUALIFIED ELECTORS – ANNEXATION NO. 16.

B. ADOPT RESOLUTION 2019-099, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDMENT TO NOTICE OF SPECIAL TAX LIEN.

Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. (Administrative Services)

Staff Recommendation: Approve

15. INTRODUCTION AND FIRST READING OF ORDINANCE NO. 2019-009, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY AMENDING SECTION 4-1-6 AND AMENDING VARIOUS PROVISIONS OF CHAPTER 1 AND CHAPTER 4 OF TITLE 8 OF THE REEDLEY MUNICIPAL CODE PERTAINING TO WATER SYSTEM REGULATIONS. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. (Administrative Services & Public Works)

Staff Recommendation: Approve

ADMINISTRATIVE BUSINESS

ORDINANCES - *With respect to the approval of ordinances, the reading of the title thereto shall be deemed a motion to waive a reading of the complete ordinance and unless there is a request by a Council Member that the ordinance be read in full, further reading of the ordinance shall be deemed waived by unanimous consent of the Council.*

16. INTRODUCE AND WAIVE FIRST READING OF ORDINANCE 2019-008, ADOPTION OF 2019 CALIFORNIA BUILDING STANDARDS CODE, AND SCHEDULE PUBLIC HEARING TO CONSIDER ADOPTION OF ORDINANCE 2019-008. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. (Fire & Building)

Staff Recommendation: Approve

17.ADOPT RESOLUTION NO. 2019-101 OF THE SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE REEDLEY REDEVELOPMENT AGENCY APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE TRUST AND AN ESCROW AGREEMENT, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. (Administrative Services)

Staff Recommendation: Approve

18.DISCUSS, CONSIDER, AND AUTHORIZE SUBMITTAL OF ARGUMENT TO FRESNO COUNTY CLERK/VOTER SERVICES FOR VOTER PAMPHLET FOR REEDLEY TRANSACTIONS AND USE TAX MEASURE. - Report, discussion and/or other Council action to approve, modify, and/or take other action as appropriate. (Administration)

Staff Recommendation: Approve

COUNCIL REPORTS

19.BRIEF REPORT BY COUNCIL MEMBERS ON CITY RELATED ACTIVITIES AS AUTHORIZED BY THE BROWN ACT AND REQUESTS FOR FUTURE AGENDA ITEMS.

STAFF REPORTS

20. UPDATES AND/OR REPORTS BY CITY MANAGER AND/OR STAFF MEMBERS.

ADJOURNMENT

Dates to Remember:

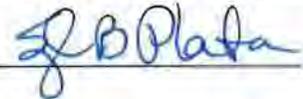
November 26, 2019 – Possibly Going Dark – No Meeting

December 10, 2019 – Regular Council Meeting

December 24, 2019 – Possibly Going Dark – No meeting

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing revised agenda was posted in accordance with the applicable legal requirements. Dated this 7th day of November 2019.

Sylvia B. Plata, City Clerk





REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 1

DATE: November 12, 2019

TITLE: APPROVE MAYOR'S NOMINATION TO FILL THREE AIRPORT COMMISSION POSITIONS WITH THE APPOINTMENT OF BUTCH AGRIFOGLIO, JOSEPH OLDHAM, AND RE-APPOINTMENT OF CARL SMITH.

SUBMITTED: Sylvia B. Plata *SR*
City Clerk

APPROVED: Nicole R. Zieba *NZ*
City Manager

RECOMMENDATION

That the Reedley City Council approve Mayor Piñon's nomination to fill the vacancies on the Airport Commission for three positions replacing, Robert Harris, Robert S. Mason and Carl Smith who have term expiration dates of October 2019.

BACKGROUND

The current vacancies are due to term expirations of October 2019 for former Commissioners Robert Harris, Robert S. Mason and Carl Smith. The vacancies were published in the Reedley Exponent and three applications have been received. Carl Smith has re-submitted his application for a new term along with Butch Agrifoglio and Joseph Oldham. Applications have been reviewed by Mayor Piñon and he is recommending the appointments of Carl Smith, Butch Agrifoglio and Joseph Oldham to the Airport Commission with term expiration dates of October 2022. There is no residency requirement for the Airport Commission.

FISCAL IMPACT

No Fiscal Impact

ATTACHMENTS

Three (3) applications

**CITY OF REEDLEY
COMMISSION/COMMITTEE APPLICATION FORM**

I hereby request that I be considered for appointment to the following Commission or Committee:

PLEASE TYPE OR PRINT IN BLACK INK
CHECK ONE ONLY— USE SEPARATE APPLICATION FOR EACH COMMISSION

- Airport Commission
- Commission on Aging
(Must reside within 2 miles of City limits)
- Parks and Recreation Commission
(Must reside within 4 miles of City limits)
- Planning Commission
(Must reside within City limits)
- Traffic Safety Commission
(Must reside within City limits)
- Streetscape Maintenance Committee
(Must be a business owner within downtown streetscape maintenance district)

NAME: Carl E Smith

HOME ADDRESS: 6160 S Alta Ave
Reedley, CA 93654

MAILING ADDRESS (if different from above):
Same

HOME PHONE: 559-959-0374 DAY PHONE: 559-959-0374

EMAIL ADDRESS (if applicable): bsmith@live.com

RESIDENT OF REEDLEY FOR 34 YEARS.

EMPLOYED BY: BSMITH Air

DATE: 10/29/2019 SIGNATURE: 

(Additional information is requested on the back of this form)

Carl Smith

Please give a brief overview of any qualifications you might have that would be beneficial to the Commission you have chosen to serve on.

Airport Commissioner

FBO at Reedley Municipal Airport

Operate Fuel concession for City of Reedley at airport

On call for emergency call out to airport.

Rec 10/31/19

CITY OF REEDLEY
COMMISSION/COMMITTEE APPLICATION FORM

I hereby request that I be considered for appointment to the following Commission or Committee:

PLEASE TYPE OR PRINT IN BLACK INK
CHECK ONE ONLY— USE SEPARATE APPLICATION FOR EACH COMMISSION

- Airport Commission
- Commission on Aging
(Must reside within 2 miles of City limits)
- Parks and Recreation Commission
(Must reside within 4 miles of City limits)
- Planning Commission
(Must reside within City limits)
- Traffic Safety Commission
(Must reside within City limits)
- Streetscape Maintenance Committee
(Must be a business owner within downtown streetscape maintenance district)

NAME: Joseph Oldham

HOME ADDRESS: 1586 E. Granada Ave.
Fresno, CA 93720

MAILING ADDRESS (if different from above):

HOME PHONE: (559) 438-1116 DAY PHONE: (559) 438-1116

EMAIL ADDRESS (if applicable): joldham@calstart.com

RESIDENT OF REEDLEY FOR N/A YEARS.

EMPLOYED BY: CALSTART

DATE: 10-30-19 SIGNATURE: [Signature]

(Additional information is requested on the back of this form)

Rec 10-17-19

**CITY OF REEDLEY
COMMISSION/COMMITTEE APPLICATION FORM**

I hereby request that I be considered for appointment to the following Commission or Committee:

PLEASE TYPE OR PRINT IN BLACK INK
CHECK ONE ONLY— USE SEPARATE APPLICATION FOR EACH COMMISSION

- Airport Commission
- Commission on Aging
(Must reside within 2 miles of City limits)
- Parks and Recreation Commission
(Must reside within 4 miles of City limits)
- Planning Commission
(Must reside within City limits)
- Traffic Safety Commission
(Must reside within City limits)
- Streetscape Maintenance Committee
(Must be a business owner within downtown streetscape maintenance district)

NAME: Butch Agrifoglio

HOME ADDRESS: 19234 East American Avenue
Reedley, California 93654

MAILING ADDRESS (if different from above):

HOME PHONE: [REDACTED] DAY PHONE: [REDACTED]

EMAIL ADDRESS (if applicable): [REDACTED]

RESIDENT OF REEDLEY FOR 53 YEARS.

EMPLOYED BY: SkyWest Airlines

DATE: 17-Oct-19 SIGNATURE: Butch Agrifoglio

(Additional information is requested on the back of this form)

Butch Agri foglio

Please give a brief overview of any qualifications you might have that would be beneficial to the Commission you have chosen to serve on.

As an pilot, aircraft owner, AMT and O32 is were may aircraft is based, I would like to see the airport used to its potential. Incentives for aircraft owners to be based at Reedley. To expand its potential as a pilot training airport. Reduce fuel prices to attract planes to choose Reedley as a place to buy fuel. Get the local community involved it's local aviation community. I have been involved in aviation as an AMT and pilot since 1993 and would like to help create a more positive atmosphere at O32.



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 2

DATE: November 12, 2019

TITLE: APPROVE A RECOMMENDATION BY THE COMMUNITY SERVICES COMMISSION TO AWARD COMMUNITY RECREATION GRANTS IN THE AMOUNT OF \$350.00 EACH TO THE REEDLEY YMCA COMMITTEE AND THE REEDLEY HIGH SCHOOL PIRATE BAND BOOSTERS AND THE REEDLEY HIGH SCHOOL PARENTS OF A SOBER GRADUATION

SUBMITTED: Sarah Reid
Community Services Director

APPROVED: Nicole R. Zieba
City Manager

RECOMMENDATION

Approve a recommendation by the Community Services Commission to award Community Recreation Grants in the amount of \$350.00 each to the Reedley YMCA Committee, the Reedley High School Pirate Band Boosters and the Reedley High School for a Sober Graduation.

BACKGROUND

The Community Recreation Grant Guidelines specifies these funds are intended for local, non-profit organizations who support recreational activities in Reedley.

A notice was published in the Mid Valley Times, posted on the City's website and Community Services Department's Facebook page announcing three \$350 grants. The notice indicated that applications were available at the Reedley Community Center and on the City's website with a due date of October 17, 5:00pm. Four applications were received from Reedley Babe Ruth, Reedley YMCA Committee, RHS Pirate Band Boosters, and RHS Parents of a Sober Graduation.

All applications were received by the due date. Staff made contact with each group to inform the representative of the Community Services Commission meeting scheduled for October 24, 2019 at 4:30pm. A requirement in the grant guidelines is a representative of the organization needs to be present at the Community Services Commission meeting where the grants are reviewed and recommended. Representatives from three out of the four organizations were present at the meeting to provide the reason for the request and answer questions as to how the funds will be spent.

The Reedley YMCA Committee will use the funding for cash prizes for the annual Pet and Storybook Parade, RHS Pirate Band Boosters will use the funds toward the entry fee for students to the Vintage

Band Review in Napa and the Discovery Kingdom in Vallejo and RHS Parents for a Sober Graduation to cover costs associated with the "free" sober graduation event offered to seniors.

Reedley Babe Ruth was not present for the Commission meeting, however per the application the funds were requested for scholarships for players who due to financial reasons are unable to play.

FISCAL IMPACT

\$1,050 has been appropriated in the Fiscal Year 2019-20 Budget for these grants. Upon Council approval, three grants totaling \$1,050 will be issued from the Community Services Administration account.

COMMITTEE/COMMISSION REVIEW/ACTIONS

Applications were reviewed at the October 24, 2019 meeting by the Community Services Commission. The Commission's recommendation is to fund the Reedley YMCA Committee, the Reedley High School Pirate Band Boosters and the Reedley High School for a Sober Graduation in the amount of \$350 each.

PRIOR COUNCIL ACTIONS

\$1,050 was approved for this purpose with the adoption of the Fiscal Year 2019-20 City of Reedley Budget.

ATTACHMENTS

City of Reedley Community Recreation Grant Guidelines

Motion: _____

Second: _____

CITY OF REEDLEY
COMMUNITY RECREATION GRANT GUIDELINES

1. Community Cash Donations from the City of Reedley will be limited to the total amount appropriated by the City Council in the City Budget.
2. Donations will be limited to non-profit groups who provide direct recreational activities to Reedley residents. Non-profit as used herein shall mean those tax exempt groups that present written evidence that the organization has obtained non-profit status under the Internal Revenue Code Section 501(c)(3).
3. No funding will be granted to any fundraiser or cause.
4. Grants will be limited to a maximum of \$350.00 per group per fiscal year. *If not all grants are awarded, the Commission may make a recommendation to City Council to increase the award amount up to the maximum budgeted amount.*
5. **The deadline for submission of applications is the 3rd Thursday in October by 5:00 p.m.** Grant proposals will be reviewed by the Community Services Commission at their meeting the following week. Meetings are typically the 4th Thursday of the month at 4:30 p.m. at the Reedley Community Center, 100 N. East Avenue, Reedley. If you are not notified, please ask the Community Services staff for information regarding the meeting.
6. The Grant process will be as follows:
 - a. Grant proposals shall be submitted to:
Director of Community Services, 100 N. East Avenue, Reedley, California 93654
 - b. Grant proposals will include:
 - 1) Name of Organization.
 - 2) State Non-Profit Number.
 - 3) Statement of group's purpose for requesting funds (organizations are encouraged to use the funding to pay for participants that could not otherwise afford to participate).
 - 4) Number of Reedley participants estimated to be served.
 - 5) Financial Statement Form attached.
 - 6) Other information as may be specified by the Community Services Director.
 - c. Due to the competitive nature of the grants, if all of the information listed in item 6b. is not included with the application, the organization may be disqualified.
 - d. The Community Services Director shall review requests and submit eligible requests to the Community Services Commission for evaluation.
 - e. A representative of the organization needs to be present at the Community Services Commission meeting where the grants are reviewed and recommended. This will give the applicant an opportunity to clarify information submitted.
 - f. The Community Services Commission shall submit grant award recommendations to the City Council for approval. Recommendations will be based on several factors. Does this event...
 - 1) ... encourage the health and well being of Reedley citizens?
 - 2) ... teach or encourage recreational, enrichment and/or outdoor skills?
 - 3) ... help organizations or individuals with limited financial means?
 - 4) ... encourage or promote our local parks?
 - 5) ... encourage or promote youth?
 - 6) ... encourage or promote local activities?
 - g. Upon approval, the Community Services Director shall have funds disbursed.
7. All other community groups who are not covered under these guidelines should be referred by the Director to the appropriate agency for potential funding.



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 3

DATE: November 12, 2019

TITLE: APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN THE REEDLEY OPERA HOUSE USE AGREEMENT WITH RIVER CITY THEATRE COMPANY (RCTC) FOR A FIVE-YEAR TERM.

SUBMITTED: Sarah Reid, Community Services Director

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

Approve and authorize the City Manager to sign the Reedley Opera House Use Agreement with River City Theatre Company (RCTC) for a five-year term.

EXECUTIVE SUMMARY

City staff has met with the RCTC Board of Directors President to discuss a new five-year agreement. The expectation from the City is that RCTC will continue to provide quality entertainment and promote cultural arts opportunities. In this new agreement, key changes have been identified for your review.

1. RCTC will now be responsible for the water and sewer fees associated with the Opera House. This is estimated at \$215 per month.
2. RCTC has requested the ability to host more than the allotted 10 non theater events. Staff is in favor of this but only with a cap on the electrical and natural gas that the City will cover. The amount reflected in the agreement is what was adopted in the 2019-20 budget for these two items and roughly what the cost has been the past 3 years.
3. The monthly rent will stay at \$1,000 the first year and increase to \$1,050 for the remaining years of the 5-year agreement.
4. The months the quarterly reports are due to the City are identified in the agreement.

This agreement will be a five-year agreement with a five-year extension option. Both parties feel this is a fair agreement and will move both entities forward in reducing the subsidies the City provides.

BACKGROUND

The City of Reedley has partnered with RCTC for the last 16 years. The current agreement with RCTC to offer live theatre out of the Reedley Opera House facility expires October 31, 2019. Throughout the years this partnership has served both organizations well.

FISCAL IMPACT

The total subsidy to the Opera House will be reduced in the new agreement. Currently, the City subsidizes the operations in the Opera House approximately \$19,250 annually. The majority of this subsidy is for electricity. Unanticipated capital expenses are covered by the City, and it is expected that the Opera House may need an air conditioning unit and walk-in refrigerator in the next 5 years. The expense for water and sewer has been covered by the City and with RCTC covering this cost it will relieve the City of a cost of roughly \$2,508 annually. Revenues will improve from the current \$12,000 to \$12,600 per year at the end of the term (October 31, 2024). At the end of the initial term, the rent can be renegotiated.

PRIOR COUNCIL ACTIONS

In October, 2014 the current agreement with RCTC was approved by City Council.

ATTACHMENTS

Reedley Opera House Use Agreement

Motion: _____

Second: _____

REEDLEY OPERA HOUSE USE AGREEMENT

This Reedley Opera House Use Agreement "Agreement" is entered into and between the City of Reedley "City", and River City Theatre Company, a California non-profit corporation "RCTC", as follows:

Recitals

1. The City owns and operates the Historic Reedley Opera House "Opera House" as a historic and cultural resource in the City of Reedley. The City desires to enter into this Agreement with RCTC to further enhance the use of the Opera House by augmenting its use for theatrical and other revenue-generating productions, while at the same time continuing its use for other private functions with theatre being its primary focus.
2. RCTC, a non-profit organization, is experienced in creating and managing theatrical productions and is presently using the venue provided by the Opera House for such productions, subject to the terms of this Agreement.

Now, therefore, in consideration of the recitals and the covenant and conditions and obligations of the parties described herein, the parties agree as follows:

A. OBLIGATIONS OF THE CITY

1. The City will make full use of the Opera House building available to RCTC.
2. The City will retain full ownership of the Opera House. City's responsibility to maintain and make repairs to the facility shall be subject to available annual appropriations approved by the City Council except to the extent such repairs may be caused by the misconduct, negligent actions or omissions of RCTC or RCTC's invitees.
4. The Community Services Department will work closely with the Community Services Commission to select Reedley based organizations who serve low income and/ or disadvantaged groups to attend a dress rehearsal of each upcoming play. Maximum of 85 guests. This invitation will be available for all RCTC Productions.

B. OBLIGATIONS OF RCTC

1. RCTC Board of Directors, or designated representative, shall be the Opera House Coordinator and shall report to and account for its management duties as provided in this Agreement, to the Community Services Director, or the designated City Representative. Those duties include:
 - a) Schedule all theatrical and non-theatrical events at the Opera House; and
 - b) Market the Theatre Company in conjunction with the Opera House to tourist, visitor and tour groups; and
 - c) Perform routine and general upkeep and maintenance of the Opera House.
 - d) Oversee the setup and take-down for all theatrical and non-theatrical events (excluding the 10-annual city-sponsored events). Actual setup and

cleanup is the responsibility of the parties having the event, including the City events; and

- e) The designated representative of RCTC will be responsible for opening and closing the facility for all city-sponsored events; and
 - f) The designated representative of RCTC will provide lighting and sound equipment and assistance in operating this equipment when available for use at the 10 city-sponsored events; and
 - g) Maintain regular contact with the Community Services Director, or the designated City Representative, with respect to all of the foregoing matters.
2. RCTC shall retain full responsibility for all costs and expenses associated with theatrical and production projects carried out under this Agreement. RCTC shall provide all necessary financing for said productions out of the revenues generated thereby and will be personally responsible to repay all debts incurred in connection therewith. As part of RCTC's obligations, RCTC shall secure and provide, at no cost to the other parties hereto, a policy of liability insurance and workers compensation insurance, which satisfies the insurance requirements shown on Exhibit "A" attached hereto. The City will be named as an additional insured as part of the liability policy.
 3. RCTC shall be responsible for the cost of toiletry (toilet paper and paper towels) and cleaning supplies necessary for the building.
 4. RCTC shall be responsible for the cost of City services which include disposal, water and sewer fees associated to the Opera House and RCTC use of these services.
 5. Subject to the direction of the Community Services Director, or the designated City Representative, RCTC shall have full responsibility for the scheduling of the Opera House for the events not covered by this Agreement and will serve as the scheduling coordinator for all events in the Opera House, including the theatrical productions.
 6. In scheduling each of the scheduled and proposed theatrical events, RCTC will cooperate with the Community Services Director, or the designated City Representative, to ensure that there is optimal use of the Opera House. The City shall have the full right to use all areas of the Opera House for the 10 city-sponsored events on those days/nights not scheduled for rehearsals or productions and events described in Section B number 4 carried out under the supervision of RCTC with the understanding that theatrical sets and props for the current production will not be disturbed.
 7. RCTC shall not make physical changes to the Opera House except after written approval given by the Community Services Director, or the designated City Representative. In particular, none of the historic features of the Opera House shall be altered in any way without the prior written approval of the City. Fixtures and equipment purchases, including additions to the Opera House, may be made by RCTC following City approval, and if permanently affixed to the building, shall become the property of the City.

8. RCTC will also be solely responsible for all of the following functions: to produce and direct five (5) theatrical productions per year; to write material as needed for any original presentation at the Opera House (said material to remain the property of author) to maintain a non-profit organization to accept donations for theatrical productions; to develop additional entertainment in addition to theatrical productions to provide and to assist in providing service to customers in the lobby before and during intermissions for productions at the Opera House.
9. RCTC will work closely with the Community Services Department to create guidelines to assist with the selection process of the Reedley based organizations to attend a dress rehearsal of the upcoming play. RCTC will host the selected guest for the dress rehearsal and become the point person for the selected group as related to the dress rehearsal the group attends in the Opera House.
10. RCTC is responsible for providing quarterly reports to include financials to the City of Reedley of the activities offered or supported by the RCTC to ensure the integrity of the organization. These reports are due October, January, April and July by the 15th of each month.
10. All expenditures must be submitted and approved by the Community Services Director, or the designated City Representative. The City will reimburse for all approved expenditures.
12. Dishes, pots and pans, and all other items that belong to the Opera House must be washed and put back in their original location.
13. Caterer and wait staff, whether employed by the caterer or by RCTC, must be covered and listed in RCTC's insurance policy.
14. Caterer must follow all rules and regulations established by Fresno County Health Department.
15. All concerns and comments from the City will be directed to RCTC in regards to the caterer and the condition of the kitchen.
16. Statements B, numbers 11, 12, 13, and 14 are not applicable to RCTC when the Opera House kitchen is used by outside entities contracted by the City.
17. RCTC has the option to host nontheatrical events in the building to help offset the cost to operate. Event holders for nontheatrical events must provide proof of liability insurance listing the City of Reedley as additional insured per the City standard.
18. RCTC will be responsible for utilities cost that exceed \$13,000 for electrical and \$1,400 for natural gas costs. Any overage will be billed to RCTC at the end of the fiscal year and due within 30 days of the invoice date.

C. TERM OF THE AGREEMENT

This Agreement shall begin on November 1, 2019 and expire on October 31, 2024. This agreement may be extended for an additional 5 years with a mutually agreement from both parties. The parties may mutually agree to modify the terms and conditions of this Agreement at any time during the initial term or extended terms of this Agreement with a 30-day written notice to all other parties.

D. RENT

RCTC agrees to pay the City of Reedley \$1,000 per month as rent due and payable by the 5th day of each month beginning November 1, 2019 and \$1050 per month beginning November 1, 2020 through October 31, 2024. River City Theatre may sublet a portion of the facilities for temporary periods not to exceed the extent of this contract after City approval of the tenant. An agreed upon percentage of rental income from the sublet arrangement not to exceed 20% of monthly gross rents will be provided to the City for this privilege. Any sub lessee must agree to the indemnification provisions and provide proof of meeting the insurance requirements in Section J and K of this Agreement, respectively. All arrangements with sub lessees shall be approved by the City Manager and authorized in an MOU between the City, RCTC and the sub lessee.

E. TERMINATION

1. Any party may terminate this Agreement for cause at any time on 30 days written notice to all other parties. In terminating the Agreement "for cause", the party exercising its rights under provision shall provide detailed, written notice of those events, facts, or actions of the other parties which violated the terms of this Agreement and which constitute "cause" for termination.
2. If RCTC becomes unavailable to perform its duties hereunder, the City may terminate this agreement immediately.
3. Upon receipt of notice of termination, neither party shall incur additional obligations under the provisions of this Agreement without the prior written consent of the other.

F. ASSIGNABILITY

The parties agree that they shall not assign or transfer interest in this Agreement, nor the performance of any of their respective obligations hereunder, without the prior written consent of the other party, and any attempt to assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

G. NONDISCRIMINATION

RCTC shall not discriminate, in any way, against any person on the basis of age, sex, sexual orientation, race, color, religion, ancestry, national origin, or disability in connection with or related to the performance of his duties and obligations under this Agreement.

H. COMPLIANCE WITH ALL LAWS

RCTC shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations, in the performance of its duties and obligations under this Agreement. RCTC shall perform all services under this Agreement in accordance with these laws, ordinances, codes and regulations. RCTC shall release, defend, indemnify and hold harmless CITY, their officers, officials, employees, and volunteers from any and all damages, liabilities, penalties, fines and all other consequences from non-compliance or violation of any laws, ordinances, codes or regulations, except as to those laws, ordinances, codes or regulations the City is required to comply with in carrying out its duties as owner and landlord of the Opera House.

I. NO THIRD-PARTY BENEFICIARIES

The parties hereto do not intend, by any provision of this Agreement, to create in any third party, any benefit or right owned by one party, under the terms and conditions of this Agreement, to the other party.

J. INDEMNIFICATION

Except for the sole negligence of City, RCTC shall defend, indemnify and keep and hold City, including City's officers, employees, agents, their successors and assigns, harmless from any and all costs, liability, damage, or expense (including costs of suit and fees and expenses of legal services) claimed by anyone by reason of injury to or death of persons, or damage to or destruction of property, including property of RCTC, sustained in, on, or about the demised premises or arising out of RCTC's use or occupancy thereof, as a proximate result of the acts or omissions of RCTC, its employees and agents, or its contractors, licensees, invitees or subtenants, their successors and assigns or arising out of the condition of the property. City shall, by appropriate, written notice to RCTC, advise RCTC as soon as practicable regarding any potential liability of RCTC under this Section.

K. INSURANCE REQUIREMENTS

RCTC shall obtain, provide, and continuously maintain at its own expense during the term of this Agreement, and shall require any consultants or contractors to obtain and maintain, policies of insurance of the type and amounts described below and in a form satisfactory to the City.

Commercial General Liability (CGL): RCTC shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, or equivalent, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. General liability policies shall provide or be endorsed using Insurance Services Office forms CG 20 10 to provide that the City and its officers, officials, employees, and agents shall be additional insureds under such policies.

Workers' Compensation RCTC shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least one million dollars (\$1,000,000)). RCTC shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City, its officers, agents, employees, and volunteers.

If the RCTC maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained.

Proof of Insurance. RCTC shall provide to City, certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by the City, prior to commencement of performance. Current evidence of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Other Insurance Provisions:

The policies are to contain, or be endorsed to contain, the following provisions:

- For General Liability, the City, its officers, officials, employees, and volunteers are to be **covered as additional insureds** with respect to liability arising out of ownership, maintenance, or use of that part of the premises leased to the RCTC.
- The RCTC insurance coverage shall be **primary insurance** as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the RCTC's insurance and shall not contribute with it.
- Each insurance policy required above shall contain, or be endorsed to contain, a waiver of all **rights of subrogation** against the City. This provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- Each insurance policy shall be endorsed to state that coverage shall not be canceled except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the City.

Acceptability of Insurers

All insurance policies required by this Agreement shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

Specifications not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

Special Risks or Circumstances. The City reserves the right to modify these requirements at any time, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

L. **NOTICES**

All notices and other communication required or permitted to be given under this Agreement, including any notice of change of address, shall be in writing and given by personal delivery, or deposited with the United States Postal Service, postage prepaid, addressed to the parties intended to be notified. Notice shall be deemed given as of the

date of personal delivery, or if mailed, upon the date of deposit with the United States Postal Service. Notice shall be given as follows:

CITY: City Manager
City of Reedley
1717 9th Street
Reedley, CA 93654

RCTC: River City Theatre Company
Board of Directors
1720 10th Street
Reedley, CA 93654

M. ENTIRE AGREEMENT - AMENDMENTS

1. The terms and conditions of this Agreement represent the entire Agreement of the parties with respect to the subject matter of the Agreement.
2. The terms and conditions under the current agreement dated will be in effect until October 31, 2024. At that time this written Agreement shall supersede all prior agreements, oral or written, regarding the subject matter between the parties.
3. No other agreement, promise or statement, written or oral, relating to the subject matter of the Agreement, shall be valid or binding, except by way of written amendment of this Agreement.
4. The terms and conditions of this Agreement shall not be altered or modified except by a written amendment to this Agreement signed by the parties.

N. WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement, or of any ordinance, law or regulation, shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, law or regulation. The subsequent acceptance by either party of any fee, performance, or other consideration, which may become due or owing under this Agreement, shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, condition, or covenant of this Agreement or any applicable law, ordinance, or regulation.

O. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of dates shown below.

CITY OF REEDLEY

BY _____
Nicole Zieba, City Manager

DATE _____

RIVER CITY THEATRE PRODUCTIONS

BY _____
Mark Luzania, President

DATE _____



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 4

DATE: November 12, 2019

TITLE: APPROVE AND AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR REIMBURSEMENT OF OFFSITE IMPROVEMENTS ASSOCIATED WITH SPR 2017-3

SUBMITTED: Rob Terry *RT*
Community Development Director

APPROVED: Nicole R. Zieba *NZ*
City Manager

RECOMMENDATION

Approve and authorize the City Manager to make non-substantive changes to the attached draft reimbursement agreement and sign final agreement with United Health Centers regarding reimbursement of offsite ADA improvements at the corner of Manning and Buttonwillow Avenues, adjacent to the development area associated with Site Plan Review 2017-3.

EXECUTIVE SUMMARY

United Health Centers is requesting to enter into a Reimbursement Agreement with the City of Reedley regarding offsite improvements at the corner of Manning and Buttonwillow Avenues, adjacent to the development area associated with Site Plan Review 2017-3, which was approved by the Reedley City Council on January 12, 2018. Such improvements were requested by the City to address current ADA and active transportation deficiencies adjacent to the development site, which could be addressed concurrently with construction activities in the same intersection, thus lessening the overall construction impacts to the general public, and providing safety improvements in a timely fashion. Reimbursement of DIF would be utilized to fund the activities.

BACKGROUND

The State Subdivision Map Act and Reedley City Council Resolution No. 2015-022 provide for partial reimbursement to developers for the cost of construction of public improvements which contain supplemental size, capacity, number or length for the benefit of properties belonging

to others as well as the developer's property to the extent that other properties are benefited from such improvements. Development associated with Site Plan Review (SPR) 2017-3 includes improvements to the intersection of Manning and Buttonwillow Avenues. Sidewalk and ADA ramp improvement work beyond that required with the project will consist of the relocation of existing ramping and ADA improvements to better facilitate safe movement and crosswalk access at the adjacent corner of the intersection.

Development impact fees are collected by the City to offset the costs of providing public services as new development comes in. Adjacent projects under construction, such as this one, provide a great opportunity to complete public improvements not required when previous developments were originally placed, or to address the timely upgrading of aging infrastructure currently in place. Such improvements make a significant impact on the safety, accessibility and efficiency of operations.

FISCAL IMPACT

The reimbursement request totals \$22,732.60, and does not exceed the total amount of DIF's to be collected for the adjacent project. The estimated construction amounts have been reviewed by the City Engineer, and have been deemed appropriate. The specific construction costs are listed in Section A1 of the attached Agreement. Costs eligible for reimbursement consist only of those found within the agreement, and will come from the Transportation, DIF categories of payment, as appropriate. Overall, there is no negative fiscal impact to the City, as development impact fees collected are utilized to place public improvements such as those proposed for reimbursement here.

PRIOR COUNCIL ACTIONS

None

ATTACHMENTS

1. Draft Reimbursement Agreement and Exhibit

Motion: _____

Second: _____

Recorded by and for the
benefit of, and When
Recorded Mail to:

City of Reedley
Community Development
Department
Planning
Division
1733 9th Street
Reedley, CA 93654

Exempt from recording fees – Gov. Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**AGREEMENT FOR REIMBURSEMENT FOR OFF-SITE IMPROVEMENTS
INSTALLED, UNITED HEALTH CENTERS, SPR 2017-3**

This Agreement is made by and between the City of Reedley, a municipal corporation, hereinafter referred to as “CITY” and UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY, a California Domestic Non-profit Corporation, hereinafter referred to as “DEVELOPER”.

RECITALS

I. Pursuant to City Council Resolution No. 2015-022 dated March 24, 2015, Development Impact Fee (DIF) credits or reimbursement may be available for construction of eligible facilities outside of the requirements of a proposed project.

II. The State Subdivision Map Act and City ordinances, resolutions and policy provide for reimbursement to developers for the cost of construction of public improvements which contain supplemental size, capacity, number or length for the benefit of properties belonging to others as well as the developer's property to the extent that other properties are benefited from such improvements.

III. Condition of Approval Item 19, from the “Engineering Department Conditions of Approval for Site Plan Review No. 2017-3 on APN 363-070-49,” dated May 11, 2018 details ADA compliance for all sidewalk, curb, gutter, valley gutter, and permanent asphalt concrete paving within the bounds of said project.

IV. The Developer and City have discussed ADA improvements to the intersection ramp and sidewalk directly to the south of the current project, seeking to improve the areas accessibility while construction is underway in the vicinity. Such improvements consist of the adjustment of sidewalk and crossing ramp location at the southeast corner of Manning and Buttonwillow Avenues.

V. The estimated costs of installation of said facilities have been provided to the City Engineer by the Developer and the amount of reimbursement has been calculated by the City Engineer, as set forth in A.1 below.

NOW, THEREFORE, it is mutually agreed between City and Developer as follows:

A. Developer is eligible for reimbursement for the following costs associated with relocation of sidewalk and ramping facilities south of the approved project site:

1. Sidewalk and Ramp Relocation

Item No.	Description	Qty.	Unit	Unit Price	Amount
1	Existing Concrete Demolition	1	Ea.	\$1,500.00	\$1,500.00
2	Grading/Compaction of Sub-base	1	Ea.	\$500.00	\$500.00
3	Relocation of Pedestrian Push Button	1	Ea.	\$6,875.00	\$6,875.00
4	Concrete Pour of New Pedestrian Ramp	1	Ea.	\$4,500.00	\$4,500.00
5	Installation of Truncated Domes on Ramp	1	Ea.	\$1,991.00	\$1,991.00
6	Required Traffic Control	1	Ea.	\$500.00	\$500.00
7	Project Drafting and Design	1	Ea.	\$2,900.00	\$2,900.00
8	Project Management	20	Hrs.	\$95.00	\$1,900.00
	<i>SUBTOTAL</i>				\$20,666.00
	10% Contingency				\$2,066.60
	GRAND TOTAL				\$22,732.60

B. The work for which reimbursement may be given is set forth herein. Permits for all activities must be obtained prior to any work beginning.

C. The City will reimburse Developer without interest those amounts as set forth in paragraph A.1. Reimbursement shall take place in one of the following forms:

1. Public improvement construction activities are completed in full, and confirmed via inspection. Following successful inspection, Developer submits invoicing showing actual costs for reimbursable activities, with eligible expenses reimbursed within 60-days of completing final inspection; or

2. If Developer desires to utilize reimbursement as DIF credits, the following process shall apply:
 - a) Public improvement construction activities are completed in full, and confirmed via inspection. Following successful inspection, Developer submits invoicing showing actual costs for reimbursable activities.
 - b) City reviews the submitted invoicing for concurrence with approved activities and estimates. Following review, City will provide Developer with a revised DIF Fee Estimate that includes DIF credits for the reimbursable amount(s).
 - c) At the time of building permit, Developer may pay resulting DIF's due in full, or may have the option to enter into a DIF Deferment Agreement and Notice of Lien with the City.
 - i) Should Developer wish to obtain encroachment permits and building permits concurrently and/or enter into a DIF Deferment Agreement, DIF credits will not be applied until public improvement construction activities have been completed and inspected; and invoicing for actual costs has been submitted. Resulting credits would only be applied to the deferred amount due prior to Certificate of Occupancy, with all deposit amounts not incorporating any DIF credit estimates.

D. This Agreement for reimbursement and all obligations of the parties hereunder shall terminate on the anniversary date of this Agreement three (3) years hence. Reimbursement amounts referred to herein shall be separate and apart from, in addition to and not payable from normal hookup charges and other development fees and charges assessed by the City to developments connecting to or benefitting by the construction of public facilities.

E. All notices in connection with this Agreement shall be in writing and shall be given by personal delivery or first-class U.S. mail, postage prepaid, to a party at its respective address below:

To the City: City of Reedley
1733 Ninth Street
Reedley, CA 93654

To the Developer: United Health Centers
of the SJV
3875 W. Beechwood
Avenue
Fresno, CA. 93722

Notice given by personal delivery shall be effective upon delivery; notice given by mail shall also be given by FAX and be effective upon receipt or three calendar days after the postmark date, whichever is earlier. Reimbursement payments shall be made to the Developer at the above address, or at such other address provided by the Developer to the City Manager in accordance with this Section E.

F. The provisions of this Agreement shall be interpreted and enforced, and the rights and duties (both procedural and substantive) of the parties hereunder shall be determined, according to California law.

1. Any legal action in connection with this Agreement shall be instituted in the Superior Court of the County of Fresno, California or in the Federal District Court for the Eastern District of California, as appropriate.
2. Service of process for any legal action in connection with this Agreement shall be made (i) on the City by personal service on the City Manager of the City, or in any other manner as may be provided by California law, or (ii) on the Developer by personal service on the owner, managing principal or designated agent for service of process or partner of the Developer or in such other manner as may be provided by law, whether made in or out of California.

G. No member, officer or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to this Agreement, where such interest or decision is prohibited by law.

I. Waiver of any provision of this Agreement must be in writing and signed by a duly authorized representative of each party.

J. This Agreement may be amended only in writing signed by duly authorized representatives of the City and the Developer, after approval by their respective board of directors.

K. This Agreement integrates all of the terms, conditions, agreements and

understandings between the City and the Developer concerning the matters described in this Agreement. The Agreement supersedes all negotiations and previous agreements and understandings between the parties concerning such matters. This Agreement is personal to the Developer, and the Developer may not assign or transfer this Agreement or its rights hereunder without the prior written consent of the City. Unless and until such consent is given, the City reserves the right to pay all reimbursement amounts to the Developer, and such payments will satisfy all obligations of the City hereunder.

IN WITNESS WHEREOF, the parties hereunto have set their hands the _____ day of _____, 2019.

CITY OF REEDLEY,
a municipal corporation

UNITED HEALTH CENTERS OF THE SAN
JOAQUIN VALLEY,
a California Domestic Non-profit Corporation

BY: _____
Nicole Zieba, City Manager
(Notary Acknowledgement to be Attached)

BY: _____
Justin Preas, Deputy Chief Exec. Officer
(Notary Acknowledgement to be Attached)

ATTEST:

BY: _____
Sylvia Plata, City Clerk

APPROVED AS TO FORM:

BY: _____
Scott Cross, City Attorney

RECOMMEND APPROVAL:

BY:  _____
Rob Terry,
Community Development Director



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 5

DATE: November 12, 2019

TITLE: APPROVE AND AUTHORIZE CITY MANAGER TO EXECUTE A SERVICES AGREEMENT WITH DAVID WELLHOUSE & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$4,500 FOR PREPARATION AND FILING OF CLAIMS FOR STATE MANDATED COST (SB 90) REIMBURSEMENT

SUBMITTED: Paul A. Melikian, Assistant City Manager

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

Request Council approval of the attached consulting agreement with David Wellhouse & Associates, Inc. in an amount not to exceed \$4,500 for preparation and filing of claims for State mandated cost reimbursements for fiscal year 2018-19.

EXECUTIVE SUMMARY

State law (SB90) provides for reimbursement of costs incurred by local agencies for various State-mandated laws and requirements, such as procedures related to Domestic Violence Arrests & Victim Assistance and Rape Victims Counseling Center Notices. The remainder of State mandated services that claims will be filed for are detailed in the attached consulting agreement; however the majority of claims historically submitted by the City have been for mandates under the purview of the Police Department.

The City has historically paid \$4,500 to David Wellhouse & Associates for the preparation and filing of SB 90 reimbursement claims on the City's behalf. The latest State budget appropriated \$39,334,000 for payment of mandates filed through 2017-18, which is consistent with the amount appropriated last year. Although the State still owes the City payment of back mandates and are making payments sporadically, they are continuing to fund most current mandates for the 2018-19 and 2019-20 fiscal years.

FISCAL IMPACT

The City has historically paid \$4,500 for the consultant to prepare and file the annual claims. This amount is paid annually from an offset of prior year SB 90 claims received this fiscal year. Typically, reimbursement revenue from prior year claims is more than sufficient to cover the cost of filing current year claims, resulting in net new revenue to the General Fund. As an example, last fiscal year (2018-19), the City received \$30,723 in reimbursements and paid \$4,500 to file new claims, for a net benefit to the General Fund of \$26,223. No new appropriations are needed for this Agreement.

Receipt of prior year SB90 reimbursements is difficult to project; however fiscal year to date, the City has received \$60,426 for prior year claims, which is about double the reimbursement revenue at this time last year. The total amount of prior claims the State owes the City is \$535,123, not including the value of the 2018-19 claims that will be filed this year.

ATTACHMENT

Proposal & Consulting Agreement

October 29, 2019

Mr. Paul Melikian
Assistant City Manager
City of Reedley
845 'G' Street
Reedley, California 93654

***Re: Proposal For February 2020 Annual State Mandated Cost Claiming Services
(SB90)***

Dear Mr. Melikian:

It is time again to prepare for the filing of the City of Reedley's February 2020 annual state mandated cost claims. All of the mandates filed last year are still reimbursable this year. The latest state budget appropriated \$39,334,000 for payment of mandates filed through 2017/2018. Although the State still owes the City payment of back mandates and are making payments sporadically, they are continuing to fund most current mandates for the 2018/2019 and 2019/2020 fiscal years.

This year's claims will include all the mandates filed in February 2019 including an additional two new mandates for Local Agency Employee Organizations: Impasse Procedures II and U Visa 918 Form, Victims of Crime: Nonimmigrant Status. The back year claims for the U Visa mandate were filed in August. It was noted that most Police Departments had claims with significant reimbursable activities to comply with the requirements. The Impasse Procedures mandate applies when the City and employee organization reach an impasse in their collective bargaining negotiations. We will follow up with the departments responsible for these mandated activities to see if there are eligible claims for reimbursement for fiscal year 2018/2019.

Additionally, there is a new mandate that was just approved for Peace Officer Training: Mental Health/Crisis Intervention. When our office receives the Claiming Instructions from the State Controller's Office we will let you know when the City is able to file for this new claim.

This year's state budget continued to suspend the mandates previously suspended in other budget years. This includes California Public Records Act (CPRA) along with Absentee Ballots, Mandate Reimbursement, and Local Recreational Areas: Background Screenings as well as the following mandates in the Police and Fire Departments. All other mandates filed last year are still available to file for this claiming period.

Police Department

Animal Adoption - Chapter 752, Statutes of 1998

Identity Theft - Chapter 956, Statutes of 2000

DNA Database - Chapter 467, Statutes of 2001

False Reports of Police Misconduct - Chapter 590, Statutes of 1995

AIDS/Search Warrant, - Chapter 1088, Statutes of 1988

Photographic Record of Evidence - Chapter 875, Statutes of 1985

Stolen Vehicle Notification - Chapter 337, Statutes of 1990

Sex Offenders: Disclosure by Law Enforcement Officers (Megan's Law) Chapter 485, Statutes of 1998

Law Enforcement Sexual Harassment Training - Chapter 126, Statutes of 1993

Elder Abuse Law Enforcement Training - Chapter 444, Statutes of 1997

Sex Crime Confidentiality - Chapter 36, Statutes of 1994

Fire Department

Fire Safety Inspections of Care Facilities - Chapter 993, Statutes of 1989

SIDS Training for Firefighters - Chapter 1111, Statutes of 1989

Commission Set Aside Programs

The Commission set aside Parameters and Guidelines for the following programs:

Investment Reports - Chapter 783, Statutes of 1995

Misdemeanors: Booking & Fingerprinting - Chapter 1105, Statutes of 1992

Regional Housing Needs

Two-way Traffic Signal Communication

Due to the suspension of the above mandates in the State Budget Act, they are not funded for the 2018/2019 fiscal year. Therefore, the City is no longer required to follow the requirements of the mandates listed above. This is due to Government Code Section 17581 which states that the Legislature may put a 0 (zero) appropriation in the State Budget for a recognized state mandated program. When this occurs, it makes that statute suspended and optional to the City for that fiscal year. The programs above, which were set aside by the Commission, are also no longer reimbursable.

Costs of Services

David Wellhouse & Associates, Inc. will prepare and file the City of Reedley's February 2020 claims. These claims are for fiscal years **2018/2019 actual** claims for a fixed fee of \$ 4,500.00. Our fee for the preparation and filing of the City's February 2020 claims includes all time and expenses necessary to prepare and file the City's claims. This fixed fee is due upon the submission of claims to the State Controller's Office on or before February 18, 2020.

As in years past, I look forward to working with you and City staff. With the possibility of new City staff, there always will be questions. Should anyone have questions, please have them contact me by telephone or e-mail, even if they feel it is a small issue, I can help explain the details of the process and make their data collection much easier.

Enclosed, please find two copies of the proposed Agreement for the preparation of the City's claims. **Please sign both copies and return one copy of the Agreement by December 20, 2019. Please keep the second copy for your files.**

Should you have any questions, please contact me at (916) 797-4883. Thank you for your past support and consideration of this proposal.

Sincerely,



Renee M. Wellhouse
President
Enclosures:

AGREEMENT BETWEEN THE CITY OF REEDLEY AND DAVID WELLHOUSE & ASSOCIATES, INC. FOR PREPARATION AND FILING OF CLAIMS FOR STATE MANDATED COST REIMBURSEMENT

This agreement by and between the **CITY OF REEDLEY**, a municipality of the State of California, hereinafter referred to as "**CITY**", and **DAVID WELLHOUSE & ASSOCIATES, INC.**, a California corporation, hereinafter referred to as "**CONSULTANT**".

Whereas, CITY desires to engage the services of a consultant to prepare and file claims for State Mandated Cost Reimbursement, and CONSULTANT has been selected to perform said services, now, therefore, it is agreed by CITY and CONSULTANT as follows:

1. Claims To Be Filed. CONSULTANT shall prepare and file with the State Controller's Office on behalf of CITY, the following state mandated cost (SB 90) claims during the 2018-2019 fiscal year.

A. February 2020 Annual Claims for fiscal year 2018-2019 claims to be prepared and filed on or before February 18, 2020 as required by the State Controller's Claiming Instructions.

U Visa 918 Form, Victims of Crime: Nonimmigrant Status - Chapter 721, Statutes of 2015

Local Agency Employee Organizations: Impasse Procedures II - Chapter 314, Statutes of 2012

Domestic Violence Arrests & Victim Assistance -Chapter 698 & 702, Statutes of 1998

Rape Victims Counseling Center Notices - Chapter 999, Statutes of 1991

Domestic Violence Arrest Policies and Standards - Chapter 246, Statutes of 1995.

Threats Against Police Officers - Chapter 1249, Statutes of 1992

Health Benefits for Survivors of Peace Officers and Firefighters - Chapter 1120/96

Peace Officer Procedural Bill of Rights - Chapter 465, Statutes of 1976

Administrative License Suspension - Chapter 1460, Statutes of 1989

Peace Officer Personnel Records - Chapter 741, Statutes of 1994

Peace Officer Procedural Bill of Rights II - Chapter 170, Statutes of 2002

Local Government Employee Relations - Chapter 901, Statutes of 2000

Crime Victim's Domestic Violence Incident Reports - Chapter 1022, Statutes of 1999

Pesticide Use Reports - Chapter 1200, Statutes of 1989

State Authorized Risk Assessment Tool for Sex Offenders - Chapter 336,
Statutes of 2006

Tuberculosis Control - Chapter 1763, Statutes of 2002

CITY acknowledges that CONSULTANT does not warrant that claims will be filed for all of the mandates listed in Section 1. CONSULTANT shall only prepare and file claims for those mandates listed in Section 1 in which the CITY has reimbursable costs.

The claims and services described in this Section 1 shall hereinafter be referred to as "PROJECT".

CONSULTANT hereby designates Renee Wellhouse, or other delegated representative, to be sole contact and agent in all consultations with CITY during the performance of services as stated in PROJECT.

2. Time For Performance. CONSULTANT shall file all claims in accordance with the State Controller's claim filing deadline contained in the applicable State Controller Claiming Instructions.

3. Compensation.

A. CITY agrees to pay CONSULTANT a fixed fee in the amount of \$4,500.00 for services provided under Section 1A. of PROJECT, upon receipt of CONSULTANT'S invoice, after submission of claims as required by the State Controller's Claiming Instructions.

4. Method Of Payment. CITY agrees to pay said fixed fees for services provided under Section 1A of PROJECT upon receipt of CONSULTANT'S invoice, after submission of claims as required by the State Controller's Claiming Instructions. City further agrees to pay CONSULTANT'S invoice within 15 days of receipt.

5. City Assistance. CITY shall assign a staff coordinator to work directly with CONSULTANT in the performance of this agreement. CITY shall provide CONSULTANT with requested information in a timely manner, pursuant to PROJECT. CITY represents and warrants that all financial documents and other information provided are accurate and correct. CONSULTANT shall not be liable for claims that are not filed or incorrectly filed due to inaccurate or untimely data.

6. **Disposition Of Documents.** CONSULTANT shall furnish to CITY copies of all claims filed with the State within 30 days after filing. CONSULTANT shall, upon written request, make copies of work papers available to CITY. CITY acknowledges that all such work papers are the property of CONSULTANT, and may not be disclosed to any third party, provided however that such workpapers may be disclosed to appropriate governmental authorities for audit purposes. CONSULTANT shall be entitled to retain copies of all data prepared.

7. **Not Obligated To Third Parties.** CITY shall not be obligated or liable hereunder to any party other than CONSULTANT.

8. **Insurance.** CONSULTANT shall carry, maintain and keep in full force and effect, a policy of comprehensive general liability and automotive liability insurance in an amount not less than \$1,000,000 aggregate applying to bodily injury, personal injury, and property damage.

9. **Independent Contractor.** CONSULTANT is, and shall be, acting at all times in the performance of this agreement as an independent contractor. CONSULTANT shall secure at its expense, and be responsible for, any and all payments of taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for CONSULTANT and its officers, agents and employees.

10. **Consultant Assistance If Audited.** Upon notice of audit, CONSULTANT shall make available to CITY and state auditors claim file information, and provide assistance to CITY in defending claims submitted.

11. **Consultant Liability If Audited.** All work required hereunder shall be performed in a good and workmanlike manner. Any disallowance of claims by the State Controller's Office or other state agencies is the responsibility of CITY.

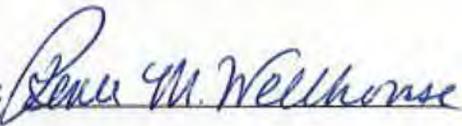
12. **Indirect Costs.** CONSULTANT shall make every effort to prepare departmental Indirect Cost Rate Proposals for claims submitted, provided CITY financial information and departmental costs support such rates. CONSULTANT may utilize the ten percent (10%) indirect cost rate allowed by the State Controller if financial information and departmental costs do not support a higher rate.

13. **Termination Of Agreement.** CITY may terminate CONSULTANT'S services hereunder with cause, whether or not services under PROJECT are fully complete. CITY shall do so by giving written notice to CONSULTANT, specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination.

14. **Return of Signed Agreement.** CONSULTANT shall be under no obligation to prepare and file claims unless the executed Agreement is received by mail or e-mail of the City's intention to continue our services and received by CONSULTANT by **December 20, 2019**. CONSULTANT may extend this deadline on a case by case basis.

15. **Entirety.** The foregoing set forth the entire Agreement between the parties.

CONSULTANT:
DAVID WELLHOUSE & ASSOCIATES, INC.,
a California Corporation

By: 

Date: October 29, 2019

Renee M. Wellhouse
President

CITY:
CITY OF REEDLEY,
a municipality of the State of California

By: _____

Date: _____

Name: _____

Title: _____

Phone: _____



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 6

DATE: November 12, 2019

TITLE: APPROVE AND AUTHORIZE THE CITY MANAGER TO SIGN AN AGREEMENT WITH THE COUNTY OF FRESNO FOR CONTINUED PARTICIPATION IN THE FRESNO COUNTY ADULT COMPLIANCE TEAM (ACT).

SUBMITTED: Jose L. Garza, Chief of Police

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

Approve and authorize the City Manager to sign an agreement with the County of Fresno for continued participation in the Fresno County Adult Compliance Team (ACT).

EXECUTIVE SUMMARY

Since the creation of ACT in 2011, there has been the increasing need for communities to provide officers in order to properly and effectively monitor, while ensuring compliance, those offenders released as a result of AB109. The State of California has provided funding for the implementation of programs that would be able to supervise a designated group of offenders that were released as a result of Assembly Bill 109, The Public Safety Realignment Act, which was signed into law on April 5, 2011. Since the inception, the team has been comprised of representatives of the Fresno County Sheriff's Office, Fresno County District Attorney's Office, Fresno County Probation Department and officers of the Fresno and Clovis Police Departments. Since 2011, the Selma, Reedley (December 2015), Kingsburg and Kerman Police Departments have assigned officers to the team.

By being part of this partnership, the City of Reedley can assign one (1) full time officer to ACT, at no cost to the City's General Fund. ACT members are responsible for assurance of compliance with the conditions of release for all the offenders released into Fresno County, including the City of Reedley, under the AB109 provisions.

BACKGROUND

In 2011 Assembly Bill 109 set into motion several fundamental changes related to the incarceration, supervision and treatment of a designated group of offenders and provided Fresno County with the ability and limited funding to provide correctional services.

AB109 reduced the number of offenders incarcerated in the state prison and released those offenders convicted of specified felonies (low risk sexual offenders, non-violent offenders and non-serious offenders) to counties of commitment. It also changed the California Penal Code and sentencing practices to keep those offenders of specified felonies from being committed to state prison.

Assembly Bill 109 (Public Safety Realignment) has realigned responsibilities for probation and parole and the supervision of released offenders. Under the "AB109 Plan", developed by the Fresno County Community Corrections Partnership (CCP) and approved by the County Board of Supervisors, the formation of the "Adult Compliance Team" was authorized for the purpose of creating a cooperative unit capable of addressing public safety concerns facing local law enforcement in Fresno County in light of the new realignment procedures.

The Reedley Police Department is constantly looking for ways to improve its service levels to the community and is aware that there are currently a total of 18 active parolees living in the City of Reedley with an additional 38 individuals who are on AB109 supervision. In addition, there are 6 active parolees with 18 individuals on AB109 supervision in the City of Orange Cove and an additional 20 parolees and 22 subjects on AB109 release living in the City of Parlier. By participating in ACT, the officer assigned from Reedley along with the other members of the team, can meet the multiple goals of offender accountability, surveillance and supervision within the City of Reedley as well as the surrounding communities.

FISCAL IMPACT

Funding for the Reedley Police Officer assigned to the ACT has been included in the FY 2019-2020 budget. Full reimbursement for salaries, vehicle maintenance costs, fuel costs, and training costs are included in this agreement up to \$162,966.

Due to staffing constraints, the police department does not have an officer currently on the team, but it is anticipated to filled prior to the end of FY 2019-2020.

PRIOR COUNCIL ACTIONS:

Similar agreements have been approved in FY 2016-17, FY 2017-2018 and FY 2018-2019.

ATTACHMENTS:

1. Funding agreement between the County of Fresno and the City of Reedley.

1 2. OBLIGATIONS OF THE COUNTY

2 COUNTY shall compensate and remit to CONTRACTOR, an amount equal to the cost of
3 one (1) City of Reedley Police Officer ("Police Officer") for assignment to the ACT, not to exceed the
4 maximum amount payable under this Agreement of \$174,080.

5 3. TERM

6 This Agreement shall become effective July 1, 2018 and shall terminate on June 30, 2019.

7 4. TERMINATION

8 A. Non-Allocation of Funds - The terms of this Agreement, and the services to be
9 provided hereunder, are contingent on the approval of funds by the appropriating government agency.
10 Should sufficient funds not be allocated, the services provided may be modified, or this Agreement
11 terminated, at any time by giving the CONTRACTOR thirty (30) days advance written notice.

12 B. Breach of Contract - The COUNTY may immediately suspend or terminate this
13 Agreement in whole or in part, where in the determination of the COUNTY there is:

- 14 1) An illegal or improper use of funds;
- 15 2) A failure to comply with any term of this Agreement;
- 16 3) A substantially incorrect or incomplete report submitted to the COUNTY;
- 17 4) Improperly performed service.

18 In no event shall any payment by the COUNTY constitute a waiver by the COUNTY of any breach
19 of this Agreement or any default which may then exist on the part of the CONTRACTOR. Neither shall such
20 payment impair or prejudice any remedy available to the COUNTY with respect to the breach or default.
21 The COUNTY shall have the right to demand of the CONTRACTOR the repayment to the COUNTY of any
22 funds disbursed to the CONTRACTOR under this Agreement, which in the judgment of the COUNTY were
23 not expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly refund
24 any such funds upon demand.

25 C. Without Cause - Under circumstances other than those set forth above, this
26 Agreement may be terminated by COUNTY upon the giving of thirty (30) days advance written notice of an
27 intention to terminate to CONTRACTOR.

28 5. COMPENSATION/INVOICING: COUNTY agrees to pay CONTRACTOR and

1 CONTRACTOR agrees to receive compensation as follows:

2 CONTRACTOR shall submit quarterly invoices for actual expenditures to the County of Fresno
3 Probation Department at: ProbationInvoices@FresnoCountyCA.gov. Invoices must be submitted on or after
4 the dates of October 1, 2018, and January 1, April 1, and July 1, 2019, respectively, and include a
5 breakdown of expenses identified in the final approved budget of the CCP in the County of Fresno for use
6 in executing the mission of ACT. COUNTY shall make payment within 45 days of receipt of an approved
7 invoice.

8 Upon any termination of this Agreement, CONTRACTOR shall be compensated for costs
9 incurred under this Agreement, up to and including the date of termination.

10 In no event shall compensation for services performed under this Agreement exceed \$174,080.

11 6. INDEPENDENT CONTRACTOR: In performance of the work, duties and obligations
12 assumed by CONTRACTOR under this Agreement, it is mutually understood and agreed that
13 CONTRACTOR, including any and all of the CONTRACTOR'S officers, agents, and employees will at all
14 times be acting and performing as an independent contractor, and shall act in an independent capacity and
15 not as an officer, agent, servant, employee, joint venturer, partner, or associate of the COUNTY.
16 Furthermore, COUNTY shall have no right to control or supervise or direct the manner or method by which
17 CONTRACTOR shall perform its work and function. However, COUNTY shall retain the right to administer
18 this Agreement so as to verify that CONTRACTOR is performing its obligations in accordance with the
19 terms and conditions thereof.

20 CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the rules and
21 regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

22 Because of its status as an independent contractor, CONTRACTOR shall have absolutely no right
23 to employment rights and benefits available to COUNTY employees. CONTRACTOR shall be solely liable
24 and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In
25 addition, CONTRACTOR shall be solely responsible and save COUNTY harmless from all matters relating
26 to payment of CONTRACTOR'S employees, including compliance with Social Security withholding and all
27 other regulations governing such matters. It is acknowledged that during the term of this Agreement,
28 CONTRACTOR may be providing services to others unrelated to the COUNTY or to this Agreement.

1 7. MODIFICATION: Any matters of this Agreement may be modified from time to time by the
2 written consent of all the parties without, in any way, affecting the remainder.

3 8. NON-ASSIGNMENT: Neither party shall assign, transfer or sub-contract this Agreement
4 nor their rights or duties under this Agreement without the prior written consent of the other party.

5 9. HOLD HARMLESS: CONTRACTOR agrees to indemnify, save, hold harmless, and at
6 COUNTY'S request, defend the COUNTY, its officers, agents, and employees from any and all costs and
7 expenses (including attorney's fees and costs), damages, liabilities, claims, and losses occurring or
8 resulting to COUNTY in connection with the performance, or failure to perform, by CONTRACTOR, its
9 officers, agents, or employees under this Agreement, and from any and all costs and expenses (including
10 attorney's fees and costs), damages, liabilities, claims, and losses occurring or resulting to any person, firm,
11 or corporation who may be injured or damaged by the performance, or failure to perform, of
12 CONTRACTOR, its officers, agents, or employees under this Agreement.

13 COUNTY agrees to indemnify, save, hold harmless, and at CONTRACTOR'S request, defend the
14 CONTRACTOR, its officers, agents, and employees from any and all costs and expenses (including
15 attorney's fees and costs), damages, liabilities, claims, and losses occurring or resulting to CONTRACTOR
16 in connection with the performance, or failure to perform, by COUNTY, its officers, agents, or employees
17 under this Agreement, and from any and all costs and expenses (including attorney's fees and costs),
18 damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who may
19 be injured or damaged by the performance, or failure to perform, of COUNTY, its officers, agents, or
20 employees under this Agreement.

21 In the event of concurrent negligence on the part of COUNTY or any of its officers, agents or
22 employees, and CONTRACTOR or any of its officers, agents, or employees, the liability for any and all
23 such claims, demands and actions in law or equity for such losses, costs, expenses and damages shall be
24 apportioned under the State of California's theory of comparative negligence as presently established or as
25 may be modified hereafter.

26 This Section 9 shall survive termination or expiration of this Agreement.

27 10. INSURANCE

28 Without limiting the COUNTY's right to obtain indemnification from CONTRACTOR or any third

1 parties, CONTRACTOR, at its sole expense, shall maintain in full force and effect, the following insurance
2 policies or a program of self-insurance, including but not limited to, an insurance pooling arrangement or
3 Joint Powers Agreement (JPA) throughout the term of the Agreement:

4 A. Commercial General Liability

5 Commercial General Liability Insurance with limits of not less than Two Million Dollars
6 (\$2,000,000.00) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000.00). This
7 policy shall be issued on a per occurrence basis. COUNTY may require specific coverages including
8 completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal
9 liability or any other liability insurance deemed necessary because of the nature of this contract.

10 B. Automobile Liability

11 Comprehensive Automobile Liability Insurance with limits of not less than One Million Dollars
12 (\$1,000,000.00) per accident for bodily injury and for property damages. Coverage should include any auto
13 used in connection with this Agreement.

14 C. Professional Liability

15 If CONTRACTOR employs licensed professional staff, (e.g., Ph.D., R.N., L.C.S.W., M.F.C.C.) in
16 providing services, Professional Liability Insurance with limits of not less than One Million Dollars
17 (\$1,000,000.00) per occurrence, Three Million Dollars (\$3,000,000.00) annual aggregate.

18 D. Worker's Compensation

19 A policy of Worker's Compensation insurance as may be required by the California Labor
20 Code.

21 Additional Requirements Relating to Insurance

22 CONTRACTOR shall obtain endorsements to the Commercial General Liability insurance naming
23 the County of Fresno, its officers, agents, and employees, individually and collectively, as additional
24 insured, but only insofar as the operations under this Agreement are concerned. Such coverage for
25 additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained
26 by COUNTY, its officers, agents and employees shall be excess only and not contributing with insurance
27 provided under CONTRACTOR's policies herein. This insurance shall not be cancelled or changed without
28 a minimum of thirty (30) days advance written notice given to COUNTY.

1 CONTRACTOR hereby waives its right to recover from COUNTY, its officers, agents, and
2 employees any amounts paid by the policy of worker's compensation insurance required by this
3 Agreement. CONTRACTOR is solely responsible to obtain any endorsement to such policy that may be
4 necessary to accomplish such waiver of subrogation, but CONTRACTOR's waiver of subrogation under
5 this paragraph is effective whether or not CONTRACTOR obtains such an endorsement.

6 Within Thirty (30) days from the date CONTRACTOR signs and executes this Agreement,
7 CONTRACTOR shall provide certificates of insurance and endorsement as stated above for all of the
8 foregoing policies, as required herein, to the County of Fresno, Probation Business Office, 3333 E.
9 American Avenue, Suite B, Fresno, CA 93725, stating that such insurance coverage have been obtained
10 and are in full force; that the County of Fresno, its officers, agents and employees will not be responsible for
11 any premiums on the policies; that for such worker's compensation insurance the CONTRACTOR has
12 waived its right to recover from the COUNTY, its officers, agents, and employees any amounts paid under
13 the insurance policy and that waiver does not invalidate the insurance policy; that such Commercial
14 General Liability insurance names the County of Fresno, its officers, agents and employees, individually
15 and collectively, as additional insured, but only insofar as the operations under this Agreement are
16 concerned; that such coverage for additional insured shall apply as primary insurance and any other
17 insurance, or self-insurance, maintained by COUNTY, its officers, agents and employees, shall be excess
18 only and not contributing with insurance provided under CONTRACTOR's policies herein; and that this
19 insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice
20 given to COUNTY.

21 In the event CONTRACTOR fails to keep in effect at all times insurance coverage as herein
22 provided, the COUNTY may, in addition to other remedies it may have, suspend or terminate this
23 Agreement upon the occurrence of such event.

24 All policies shall be issued by admitted insurers licensed to do business in the State of California,
25 and such insurance shall be purchased from companies possessing a current A.M. Best, Inc. rating of A
26 FSC VII or better.

27 11. AUDITS AND INSPECTIONS: The CONTRACTOR shall at any time during business
28 hours, and as often as the COUNTY may deem necessary, make available to the COUNTY for examination

1 all of its records and data with respect to the matters covered by this Agreement. The CONTRACTOR
2 shall, upon request by the COUNTY, permit the COUNTY to audit and inspect all of such records and data
3 necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement.

4 If this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR shall be subject to
5 the examination and audit of the California State Auditor for a period of three (3) years after final payment
6 under contract (Government Code Section 8546.7).

7 12. NOTICES: The persons and their addresses having authority to give and receive notices
8 under this Agreement include the following:

<u>COUNTY</u>	<u>CONTRACTOR</u>
COUNTY OF FRESNO	CITY OF REEDLEY
Chief Probation Officer	Chief of Police
3333 E. American Avenue, Suite B	1843 G Street
Fresno, CA 93725	Reedley, CA 93654

9 All notices between the COUNTY and CONTRACTOR provided for or permitted under this
10 Agreement must be in writing and delivered either by personal service, by first-class United States mail, by
11 an overnight commercial courier service, or by telephonic facsimile transmission. A notice delivered by
12 personal service is effective upon service to the recipient. A notice delivered by first-class United States
13 mail is effective three COUNTY business days after deposit in the United States mail, postage prepaid,
14 addressed to the recipient. A notice delivered by an overnight commercial courier service is effective one
15 COUNTY business day after deposit with the overnight commercial courier service, delivery fees prepaid,
16 with delivery instructions given for next day delivery, addressed to the recipient. A notice delivered by
17 telephonic facsimile is effective when transmission to the recipient is completed (but, if such transmission is
18 completed outside of COUNTY business hours, then such delivery shall be deemed to be effective at the
19 next beginning of a COUNTY business day), provided that the sender maintains a machine record of the
20 completed transmission. For all claims arising out of or related to this Agreement, nothing in this section
21 establishes, waives, or modifies any claims presentation requirements or procedures provided by law,
22 including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code,
23 beginning with section 810).

24 13. GOVERNING LAW: Venue for any action arising out of or related to this Agreement shall
25 only be in Fresno County, California.
26
27
28

1 The rights and obligations of the parties and all interpretation and performance of this Agreement
2 shall be governed in all respects by the laws of the State of California.

3 14. SEVERABILITY

4 In the event any provisions of this Agreement are held by a court of competent jurisdiction to be
5 invalid, void, or unenforceable, the remaining provisions of this Agreement will nevertheless continue in
6 force and effect without being impaired or invalidated in any way.

7 15. WAIVER

8 The waiver by either party of a breach by the other of any provision of this Agreement shall not
9 constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different
10 provision of this Agreement. No waiver of a party's breach of any provision of this Agreement shall be
11 effective unless the waiver is in writing and signed by the party against whom the waiver is sought to be
12 enforced. Waiver of any one provision shall not be deemed to be a waiver of any other provision herein.

13 16. INTERPRETATION

14 The parties acknowledge that this Agreement in its final form is the result of the combined efforts
15 of the parties and that, should any provision of this Agreement be found to be ambiguous in any way,
16 such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but
17 rather by construing the terms in accordance with their generally accepted meaning.

18 17. NO THIRD PARTY BENEFICIARIES

19 Nothing set forth in this Agreement shall create any legal rights in any person not a party to this
20 Agreement.

21 18. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the
22 CONTRACTOR and COUNTY with respect to the subject matter hereof and supersedes all previous
23 Agreement negotiations, proposals, commitments, writings, advertisements, publications, and
24 understanding of any nature whatsoever unless expressly included in this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

CITY OF REEDLEY

COUNTY OF FRESNO

(Authorized Signature)

Sal Quintero, Chairperson of the Board of Supervisors of the County of Fresno

Print Name & Title

Mailing Address

ATTEST:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

By: _____
Deputy

FOR ACCOUNTING USE ONLY:

ORG No.: 34309999
Account No.: 7295



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 7

DATE: November 5, 2019

TITLE: APPROVE AND AUTHORIZE CITY MANAGER TO SIGN ON BEHALF OF THE CITY OF REEDLEY AN AGREEMENT WITH CENTRAL VALLEY FORENSIC NURSING SPECIALISTS FOR SEXUAL ASSAULT FORENSIC EVIDENCE EXAMINATIONS.

SUBMITTED: Jose L. Garza, Chief of Police

APPROVED: Nicole R. Zieba, City Manager

RECOMMENDATION

That the City Council approve and authorize the City Manager to sign on behalf of the City of Reedley an agreement with the Central Valley Forensic Nursing Specialists, formerly known as Forensic Nurse Specialists, for sexual assault forensic evidence examinations.

BACKGROUND

The Reedley Police Department has been assisting the victims of sexual assault, domestic violence and child abuse by referring those victims and families to Forensic Nurse Specialists for evidence collection. Recently the Owner/Director of "Forensic Nurse Specialists" has chosen to retire and has sold the business to a new Owner/Director requiring the name to be changed to "Central Valley Forensic Nursing Specialists".

So far in 2019, the Reedley Police Department investigated 25 sexual assault cases and 46 felony Domestic Violence incidents. Not all sexual assaults or domestic violence investigations require forensic examinations, however on average 5 cases require forensic examinations for evidence per year.

The continued ability to partner with now Central Valley Forensic Nursing Specialists will greatly improve the lives of crime victims by providing a caring environment and qualified nurses who follow strict evidence collection guidelines. The partnership established with Forensic Nurse Specialists will continue to flourish under the new Owner/Director for Central Valley Forensic Nursing Specialists. It is the intent of all involved parties to provide a safe space for victims to ensure assistance is provided, evidence is collected, and successful prosecution of suspects is attained.

FISCAL IMPACT

Included in the MOU is the cost of each examination when required. The anticipated costs have been assumed in the FY 2019-2020 budget.

PRIOR COUNCIL ACTIONS:

Similar agreement approved in prior years.

ATTACHMENTS:

1. Agreement between the City of Reedley and Central Valley Forensic Nursing Specialists.
2. Letter from Dr. Margie Jessen indicating her retirement.

Central Valley Forensic Nursing Specialists

240 N. 12th Ave Ste.109 Box #340 Hanford, CA 93230
(559)324-9100 24 Hr Answering Service/Office
(559) 840-0633 Fax

AGREEMENT TO PROVIDE SERVICE TO REEDLEY POLICE DEPARTMENT FOR SEXUAL ASSAULT FORENSIC EVIDENCE

Central Valley Forensic Nursing Specialists (CVFNS) and Reedley Police Department agree as follows:

CVFNS agrees to provide forensic evidence collection and examinations of victims of sexual assault and forensic evidence collection from suspects.

Charge per case, to be paid for by Reedley Police Department, is \$1,000.00. Suspect exams at the same time as victim exam are \$500.00. Suspect examination after initial victim examination will be \$600.00. Victim "no show or cancelled" after CVFNS nurse is called out will be subject to a \$150.00 "dry run" fee. Additional follow up examination for victims at law enforcement request will be subject to a \$450.00 fee. Expert Witness testimony is a contracted negotiated amount between CVFNS and the District Attorney Office

SPECIAL PROVISIONS:

1. Term of Agreement shall be November 1, 2019 through June 30, 2020, and shall be *automatically* renewed for the original contract length unless terminated by either party with a 90 day written notice.
2. Law enforcement officers agree to call the 24 hour CVFNS answering service prior to transporting victim to CVFNS examination site located @ the Fresno SART Center.
3. CVFNS agrees to collect forensic evidence from sexual assault victims in accordance with OES state protocols by qualified forensic examiners. All examinations will utilize a Cannon Digital Camera for photography when injuries are present. Copies of photographs to be made available to contracting law enforcement agency upon request. Discussion of findings will be provided at the conclusion of the exam.
4. CFVNS agrees to provide competent expert witness testimony in court when subpoenaed to be present.
5. All evidence collected will be relinquished by CVFNS to the police officer ordering the examination at the conclusion of the examination with a completed copy of the OES 923/925/930/950 medical report.
6. CVFNS agrees to make results of and evidence from examination available to law enforcement personnel at any time subsequent to the date of examination upon request.
7. This agreement is not meant to prohibit law enforcement agency from utilizing the services of other hospitals.

8. Contracted rates will be subject to annual review. New rates will be effective July 1st of every year the agreement is in effect. Factors considered in this rate review will include, but are not limited to, prevailing nurse contractor rates, medical supplies, and building lease rates. You will receive notice at least thirty days prior to the new rate taking effect.

Indemnity for Professional Liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error, or omission of Consultant, its officers, agents, employees, or Subconsultants (or any Agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

Indemnity for Other Than Professional Liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless the City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the negligent performance of this Agreement by Consultant or by any individual or Agency for which Consultant is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Consultant.

Insurance Requirements

Without limiting Consultant's indemnification of the City, and prior to commencement of Work, Consultant shall obtain, provide, and continuously maintain at its own expense during the term of this Agreement, and shall require any subconsultants to obtain and maintain, policies of insurance of the type and amounts described below and in a form satisfactory to the City.

- a. **Workers' Compensation.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least one million dollars (\$1,000,000)). Consultant shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City, its officers, agents, employees, and volunteers.
- b. **General Liability.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, or equivalent, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. General liability policies shall provide or be endorsed using Insurance Services Office forms CG 20 10 to provide that the City and its officers, officials, employees, and agents shall be additional insureds under such policies.
- c. **Automobile Liability.** If Consultant (or subconsultants) utilizes automobiles in the performance of services under this agreement, Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit for each accident.
- d. **Professional Liability (Errors & Omissions).** Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars (\$1,000,000) Per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Consultant agrees to maintain continuous coverage through a period no less than one year after completion of the Services required by this Agreement.

e. Proof of Insurance. Consultant shall provide to City, certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by Cities prior to commencement of performance. Current evidence of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

f. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger), in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City.

g. Enforcement of Contract Provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City, nor does it waive any rights hereunder.

h. Specifications not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

i. Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to Agency with thirty (30) days' notice of cancellation (except for nonpayment for which ten (10) days' notice is required) or nonrenewal of coverage for each required coverage.

j. Self-insured Retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

k. Timely Notice of Claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Date: _____
Nicole R. Zieba
City of Reedley
City Manager

Date: _____
Heather McCoy, RN
Owner/Director
Central Valley Forensic Nursing Specialists



**FORENSIC NURSE SPECIALISTS
OF CENTRAL CALIFORNIA, INC.**

October 1, 2019

Dear Law Enforcement, District Attorney's Office and SART Members,

Over the past 24 years, I have had the privilege and honor to have served approximately 15,000 victims of all ages throughout the Central Valley. By removing them from emergency rooms, Forensic Nurse Specialists of Central California, Inc. (FNSCC) has provided services with compassion in a private, confidential setting.

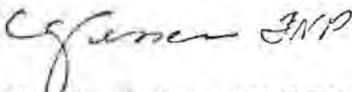
This has not been an easy decision for me, but after much prayer and reflection I have decided to close FNSCC and retire effective October 31, 2019. Although this will be the end of FNSCC, it is not the end of the private, outside of the hospital setting you have come to appreciate. I have been working diligently with others to ensure services are not interrupted so that you can continue care for the many victims seen every year.

I would like to thank each one of you that are currently supporting and helping me with the mission of caring for the hurting and broken. I would also like to thank all the others who have spent countless hours with me over the years.

It has been a pleasure to work with you and I wish you continued success in this mission.

My predecessor is *Ms. Heather McCoy* she will be changing the name of the company, *Central Valley Forensic Nursing Specialists, Inc.* I will be staying on as her consultant and assisting with the program and changes.

May God Bless you,



Dr. Margie Jessen DNP/FNP



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 8

DATE: November 12, 2019

TITLE: UPDATE FOR PUBLIC HEARING RELATED TO ADOPTION OF RESOLUTION NO. 2019-090 FOR PROPOSED ANNEXATION OF TRACT 6206 ALMOND GROVE INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1

SUBMITTED BY: Rob Terry *RT*
Community Development Director

APPROVED BY: Nicole Zieba *NZ*
City Manager

On October 8, 2019, staff delivered a report to City Council which stated the public hearing regarding the adoption of Resolution No. 2019-090 approving the annexation of Tract 6206 Almond Grove into the City of Reedley's Landscape and Lighting Maintenance District (L&LMD) No. 1, Zone Y would be held on November 12, 2019. However, following delivery of the report, it was determined that additional public noticing time would be required, and the consequent public notices sent appropriately identified the public hearing date as December 10, 2019. As such, this item serves as an update to Council that the public hearing for the referenced item will be held at the regularly scheduled City Council meeting of December 10, 2019 in the Reedley City Council Chambers.



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 9

DATE: November 12, 2019

TITLE: UPDATE FOR PUBLIC HEARING RELATED TO ADOPTION OF RESOLUTION NO. 2019-089 FOR PROPOSED ANNEXATION OF TRACT 6196 SELF-HELP INTO THE CITY OF REEDLEY'S LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT NO. 1

SUBMITTED BY: Rob Terry *RT*
Community Development Director

APPROVED BY: Nicole Zieba
City Manager *NZ*

On October 8, 2019, staff delivered a report to City Council which stated the public hearing regarding the adoption of Resolution No. 2019-089 approving the annexation of Tract 6196 Self-Help into the City of Reedley's Landscape and Lighting Maintenance District (L&LMD) No. 1, Zone Z would be held on November 12, 2019. However, following delivery of the report, it was determined that additional public noticing time would be required, and the consequent public notices sent appropriately identified the public hearing date as December 10, 2019. As such, this item serves as an update to Council that the public hearing for the referenced item will be held at the regularly scheduled City Council meeting of December 10, 2019 in the Reedley City Council Chambers.



REEDLEY CITY COUNCIL

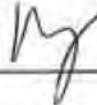
- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 10

DATE: November 12, 2019

TITLE: ADOPT RESOLUTION 2019-100 ESTABLISHING A REVISED CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

Staff recommends the City Council adopt of Resolution 2019-100 to establish a revised Capital Financing and Debt Management Policy.

EXECUTIVE SUMMARY

On February 24, 2015, the City Council adopted a Capital Financing and Debt Management Policy, a best practice to establish written guidelines, allowances, and restrictions to guide debt issuance practices, management of a debt portfolio, and adherence to various laws and regulations.

Staff is currently working with bond counsel, attorneys who specialize in public entity bond issuances and debt placement, to possibly refund (refinance) the existing 2011 RDA Bonds, issued February 2011. As part of the due diligence process, bond counsel reviews any pertinent City policies to ensure they are up to date before the transaction is finalized and taken to the market. Bond counsel has reviewed the City's existing Capital Financing and Debt Management Policy and identified some areas that require updating.

The proposed revisions incorporate requirements from SB 1029, which enacted Government Code 8855(i), effective January 1, 2017, which requires certain elements be included in a debt management policy adopted by local agencies in the State. Staff recommends updating the Capital Financing and Debt Management Policy to ensure compliance with those requirements. In addition, the existing disclosure provisions have been strengthened given the enhanced focus on disclosure and transparency since adoption of the current policy. Lastly, the policy is extended to guide the issuance of debt by the City and to other entities the City Council serves as the governing body, including the Successor Agency to the Reedley Redevelopment Agency and the Reedley Public Financing Authority.

BACKGROUND

The purpose of establishing a Capital Financing and Debt Management Policy is to provide guidance for the issuance and ongoing management of City debt obligations, and to maintain the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services. From time to time, the City uses long and short-term debt issuances to finance its capital improvement program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions.

The Government Finance Officers Association recommends that local governments adopt comprehensive written debt management policies that provide Staff, elected officials and the public with

guidelines, allowances and restrictions to follow during the debt issuance process, and afterwards for ongoing debt administration and reporting. Many of the financial ratios contained in the policy were developed after reviewing the policies adopted by other cities, and best practices published by the California Debt and Investment Advisory Commission.

FISCAL IMPACT

There is no immediate financial impact of adopting the revised policy. The thresholds, ratios, and analysis called for in the document will help ensure that decisions to issue, refinance and manage debt will be done in an efficient manner and avoid putting the City in a unfavorable financial position, or adherence to regulations. The policy, along with other positive financial factors, will also contribute favorably to its bond (credit) rating.

ATTACHMENTS

Resolution 2019-100 Adopting a Revised Capital Financing and Debt Management Policy
Current Capital Financing and Debt Management Policy with Proposed Revisions

RESOLUTION NO. 2019-100

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING A REVISED CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

WHEREAS, in 2015, the City of Reedley adopted a Capital Financing and Debt Management Policy to establish written guidelines, allowances, and restrictions to guide debt issuance practices, management of a debt portfolio, and adherence to various laws and regulations; and

WHEREAS, this policy is intended to improve the quality of decisions concerning the appropriateness of debt for a particular use, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning; and

WHEREAS, a clearly articulated Capital Financing and Debt Management Policy that is reviewed and amended from time to time signals to rating agencies and the capital markets that a government is well managed and therefore likely to meet its debt obligations in a timely manner; and

WHEREAS, the City desires to cultivate and maintain an ongoing ability to incur reasonable debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment beneficial to the City and necessary for essential services; and

WHEREAS, SB 1029 (2016), enacted Government Code 8855(i), which requires certain elements be included in a debt management policy adopted by local agencies in the State, and the City desires to update the Capital Financing and Debt Management Policy to ensure compliance with those requirements;

WHEREAS, the City Council desires to adopt a revised policy providing guidance on the issuance and management of City debt, which includes debt issued by the City's related entities, including the Successor Agency to the Reedley Redevelopment Agency and the Reedley Public Financing Authority.

NOW, THEREFORE, BE IT RESOLVED THAT the revised Capital Financing and Debt Management Policy attached hereto as Exhibit "A" is adopted and shall remain in effect until modified or rescinded by subsequent resolution of the City Council.

This foregoing resolution is hereby adopted this 12th day of November, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Frank Piñon, Mayor

Sylvia Plata, City Clerk

CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

This Capital Financing and Debt Management Policy is intended to guide the issuance of debt by the City and each other entity for which the City Council serves as the governing body, including the Successor Agency to the Reedley Redevelopment Agency and the Reedley Public Financing Authority, and references to "City" herein shall include all such related entities. This policy may be amended from time-to-time by resolution of the Council and its terms may be waived in connection with a particular financing being undertaken by the City or a related entity.

A. Capital Financing

1. The City will generally consider the use of debt financing only for capital improvement projects or equipment acquisitions, and only under the following circumstances:
 - A. When the equipment or project's useful life will exceed the term of the financing.
 - B. When project revenues or specific resources will be sufficient to service the long-term debt.
2. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures, or equipment acquisitions where the total purchase price is below \$100,000. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation.
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
4. The City is committed to long-term capital planning. The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.
5. It is a policy goal of the City to serve its taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.
6. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements or equipment acquisition:

Factors Favoring Pay-As-You-Go Financing

- A. Current revenues and adequate fund balances are available or project phasing can be accomplished.
- B. Existing debt levels adversely affect the City's credit rating.

Exhibit 'A'

- C. Market conditions are unstable or present difficulties in marketing.

Factors Favoring Long Term Financing

- D. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- E. The project securing the financing is of the type, which will support an investment grade credit rating.
- F. Market conditions present favorable interest rates and demand for City financings.
- G. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- H. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable, generally attributed to health & safety.
- I. The life of the project or asset to be financed is 10 years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
5. The City will monitor all forms of debt annually and report concerns and remedies, if needed, to the Council.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
7. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement). The Assistant City Manager shall be the "disclosure coordinator" for the City, with primary responsibility for working with outside consultants (e.g., financial advisor, underwriter, disclosure counsel) and other City staff to

Exhibit 'A'

ensure there are no material misstatements or omissions in Official Statements used to market and sell long-term debt. The disclosure coordinator shall also have primary responsibility for ongoing disclosures required under SEC Rule 15c2-12 or State law. See also "Item I. Post-Issuance Internal Control Procedures and Reporting."

8. The City may issue the following types of debt under this Policy:
 - a. General obligation bonds (GO Bonds)
 - b. Bond or grant anticipation notes (BANs)
 - c. Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
 - d. Revenue bonds and other obligations secured by revenues
 - e. Tax and revenue anticipation notes (TRANS)
 - f. Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
 - g. Refunding loans and other obligations
 - h. State Revolving Fund (SRF) Loans
 - i. Lines of Credit

The Council may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Policy. Debt shall be issued as fixed rate debt unless the Council makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because the City's general purpose debt capacity is limited, it is important that the City only use general purpose debt financing for high-priority projects where other financing methods cannot reasonably be used for two key reasons:
 - A. Funds borrowed for a project today are not available to fund other projects tomorrow.
 - B. Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

2. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs funded on a pay-as-you-go basis. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

D. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
2. **Community Facilities District (CFD) 2005-01.** The Reedley Community Facilities District 2005-1 was established to finance operational expenses associated with public safety (police and fire) and park maintenance to single family homes, affordable/multi-family units, commercial or non-residential properties, and vacant land. Under no circumstance shall the City waive annexation requirements into this CFD in order to meet the maximum tax burden guidelines in Section D (#10) of this policy.
3. **Eligible Improvements.** Except as otherwise determined by the Council when proceedings for district formation are commenced, preference in financing public improvements through a special tax district shall be given for those public improvements that help achieve clearly identified community facility and infrastructure goals in accordance with adopted facility and infrastructure plans as set forth in key policy documents such as the General Plan, Specific Plan, Facility or Infrastructure Master Plans, or Capital Improvement Plan.

Such improvements include study, design, construction and/or acquisition of:

- A. Public safety facilities.
- B. Water supply, distribution and treatment systems.
- C. Waste collection and treatment systems.
- D. Major transportation system improvements, such as: bridges; intersection improvements; construction of new or widened arterial or collector streets (including related landscaping and lighting); sidewalks and other pedestrian paths; transit facilities; and bike paths.
- E. Storm drainage, creek protection and flood protection improvements.
- F. Parks, open space, trails, community centers and other recreational facilities.
- G. Cultural and social service facilities.
- H. Other governmental facilities and improvements such as offices, information technology systems and telecommunication systems.

School facilities will not be financed by community facilities districts, except under appropriate joint community facilities agreements or joint exercise of powers agreements between the City and school districts as required by the applicable law.

4. **Active Role.** Even though land-based financings may be a limited obligation of the City, the City will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds from the bonds.

Exhibit 'A'

5. **Credit Quality.** When a developer requests the formation of a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
6. **Reserve Fund.** A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
7. **Value-to-Debt Ratios.** The minimum value-to-date ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.
8. **Appraisal Methodology.** Determination of value of property in the district shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal by an independent Member Appraisal Institute (MAI) licensed in the State of California. The definitions, standards and assumptions to be used for appraisals shall be determined by the City on a case-by-case basis, with input from City consultants and district applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission.
9. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
10. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special taxes payments collected on the tax roll should generally not exceed 2%.
11. **Benefit Apportionment.** Assessments will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by - or burden attributed to - each parcel with respect to its financed improvement. Special taxes will be apportioned according to a formula that is reasonable. Any annual escalation factor should generally not exceed 2%. Approval by the Council of a district shall be conclusive evidence that this requirement has been met.
12. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should generally be structured to ensure it generates at least 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.

Exhibit 'A'

13. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings, consistent with the foreclosure covenant set forth in the legal documents governing the bonds secured by the levy, if any.
14. **Disclosure to Bondholders.** In general, unless otherwise recommended by the City's financial advisor and/or underwriter, each property owner who accounts for more than 20% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule 15c2-12.

E. Conduit Financings

The City will consider requests for conduit financing on a case-by-case basis using the following criteria:

1. The City's bond counsel will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.
2. There is a clearly articulated public purpose in providing the conduit financing.
3. The applicant is capable of achieving this public purpose.

This means that the review of requests for conduit financing will generally be a two-step process:

1. First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it.
2. And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

The work scope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for their costs in evaluating the request; however, this should also be determined on a case-by-case basis.

F. Refinancings

General Guidelines. Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:

1. There is a net economic benefit.
2. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.

Exhibit 'A'

3. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.

Standards for Economic Savings. In general, refinancings for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.

1. Refinancings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
2. Refinancings with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective, including to achieve a benefit described above under "General Guidelines".

G. Interfund Transfers and Loans.

General. In order to achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.

Any transfers between funds for operating purposes can only be made by the Assistant City Manager, or designee, in accordance with the Adopted Budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons.

In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay in the loan in the near to intermediate term. From time-to-time, interfund borrowings may be appropriate; however, these are subject to the following criteria in ensuring that the fiduciary purpose of the fund is met:

1. Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council and documented with a resolution and staff report.
2. The interfund borrowing has a stated interest rate, repayment schedule, and recorded in the City financial system.
3. Reported in the City debt schedule in the Proposed & Adopted budget documents, as well as the City annual financial statements.

Negative Funds. From time to time, the City may have funds that fall into a deficit position due to a variety of factors, including, but not limited to, unanticipated events, revenue shortfalls, higher than expected project expenditures, or timing of grant reimbursements. The Assistant City Manager, in conjunction with applicable Department Heads, shall establish a "work out plan" for specific deficit funds to restore fund equity to a neutral or positive cash position. Depending upon the severity and specific circumstances surrounding the deficit, work out plans may span several years. The cash position of specific City funds shall continue to be communicated to the Council and public on the quarterly investment report.

H. Post-Issuance Internal Control Procedures and Reporting

When issuing debt, in addition to complying with the terms of this Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the City will periodically review the requirements of, and will remain in compliance with, the following:

- Any continuing disclosure undertakings entered into by the City in accordance with SEC Rule 15c2-12.
- Any State law reporting requirements, including requirements to disclose information to the California Debt and Investment Advisory Commission (CDIAC).
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The City's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the City upon the submission of one or more written requisitions by the City Manager or Assistant City Manager (or a written designee), or (b) by the City, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the City.

The City shall continue to present a schedule of debt in the Proposed & Adopted budget documents.

CAPITAL FINANCING AND DEBT MANAGEMENT POLICY

This Capital Financing and Debt Management Policy is intended to guide the issuance of debt by the City and each other entity for which the City Council serves as the governing body, including the Successor Agency to the Reedley Redevelopment Agency and the Reedley Public Financing Authority, and references to "City" herein shall include all such related entities. This policy may be amended from time-to-time by resolution of the Council and its terms may be waived in connection with a particular financing being undertaken by the City or a related entity.

A. Capital Financing

1. The City will generally consider the use of debt financing only for one-time capital improvement projects or equipment acquisitions, and only under the following circumstances:
 - A. When the equipment or project's useful life will exceed the term of the financing.
 - B. When project revenues or specific resources will be sufficient to service the long-term debt.
2. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures, or equipment acquisitions where the total purchase price is below \$100,000. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation.
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
4. The City is committed to long-term capital planning. The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.
5. It is a policy goal of the City to serve its taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs. The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.
6. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements or equipment acquisition:

Factors Favoring Pay-As-You-Go Financing

- A. Current revenues and adequate fund balances are available or project phasing can be accomplished.

- B. Existing debt levels adversely affect the City's credit rating.
- C. Market conditions are unstable or present difficulties in marketing.

Factors Favoring Long Term Financing

- D. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- E. The project securing the financing is of the type, which will support an investment grade credit rating.
- F. Market conditions present favorable interest rates and demand for City financings.
- G. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
- H. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable, generally attributed to health & safety.
- I. The life of the project or asset to be financed is 10 years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
3. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
4. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.
5. The City will monitor all forms of debt annually and report concerns and remedies, if needed, to the Council.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
7. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement). The Director of Finance & Administration Assistant City Manager shall be the "disclosure coordinator" for the City.

with primary responsibility for working with outside consultants (e.g., financial advisor, underwriter, disclosure counsel) and other City staff to ensure there are no material misstatements or omissions in Official Statements used to market and sell long-term debt. The disclosure coordinator shall also have primary responsibility for ongoing disclosures required under SEC Rule 15c2-12 or State law. See also "Item I. Post-Issuance Internal Control Procedures and Reporting."

8. The City may issue the following types of debt under this Policy:

- a. General obligation bonds (GO Bonds)
- b. Bond or grant anticipation notes (BANs)
- c. Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- d. Revenue bonds and other obligations secured by revenues
- e. Tax and revenue anticipation notes (TRANS)
- f. Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- g. Refunding loans and other obligations
- h. State Revolving Fund (SRF) Loans
- i. Lines of Credit

7. The Council may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Policy. Debt shall be issued as fixed rate debt unless the Council makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general-purpose debt. Because the City's general purpose debt capacity is limited, it is important that the City only use general purpose debt financing for high-priority projects where other financing methods cannot reasonably be used for two key reasons:
 - A. Funds borrowed for a project today are not available to fund other projects tomorrow.
 - B. Funds committed for debt repayment today are not available to fund operations in the future.

In evaluating debt capacity, general-purpose annual debt service payments should generally not exceed 10% of General Fund revenues; and in no case should they exceed 15%. Further, direct debt will not exceed 2% of assessed valuation; and no more than 60% of capital improvement outlays will be funded from long-term financings.

2. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs funded on a pay-as-you-go basis. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

D. Land-Based Financings

1. **Public Purpose.** There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred over other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
2. **Community Facilities District (CFD) 2005-01.** The Reedley Community Facilities District 2005-1 was established to finance operational expenses associated with public safety (police and fire) and park maintenance to single family homes, affordable/multi-family units, commercial or non-residential properties, and vacant land. Under no circumstance shall the City waive annexation requirements into this CFD in order to meet the maximum tax burden guidelines in Section D (#10) of this policy.
3. **Eligible Improvements.** Except as otherwise determined by the Council when proceedings for district formation are commenced, preference in financing public improvements through a special tax district shall be given for those public improvements that help achieve clearly identified community facility and infrastructure goals in accordance with adopted facility and infrastructure plans as set forth in key policy documents such as the General Plan, Specific Plan, Facility or Infrastructure Master Plans, or Capital Improvement Plan.

Such improvements include study, design, construction and/or acquisition of:

- A. Public safety facilities.
- B. Water supply, distribution and treatment systems.
- C. Waste collection and treatment systems.
- D. Major transportation system improvements, such as: bridges; intersection improvements; construction of new or widened arterial or collector streets (including related landscaping and lighting); sidewalks and other pedestrian paths; transit facilities; and bike paths.
- E. Storm drainage, creek protection and flood protection improvements.
- F. Parks, open space, trails, community centers and other recreational facilities.
- G. Cultural and social service facilities.
- H. Other governmental facilities and improvements such as offices, information technology systems and telecommunication systems.

School facilities will not be financed by community facilities districts, except under appropriate joint community facilities agreements or joint exercise of powers agreements between the City and school districts as required by the applicable law.

4. **Active Role.** Even though land-based financings may be a limited obligation of the City, the City will play an active role in managing the district. This means that the City will select and retain the financing team, including the financial advisor, bond counsel, trustee, appraiser, disclosure counsel, assessment engineer and underwriter. Any costs incurred by the City in retaining these services will generally be the responsibility of the property owners or developer, and will be advanced via a deposit when an application is filed; or will be paid on a contingency fee basis from the proceeds from the bonds.

5. **Credit Quality.** When a developer requests the formation of a district, the City will carefully evaluate the applicant's financial plan and ability to carry the project, including the payment of assessments and special taxes during build-out. This may include detailed background, credit and lender checks, and the preparation of independent appraisal reports and market absorption studies. For districts where one property owner accounts for more than 25% of the annual debt service obligation, a letter of credit further securing the financing may be required.
6. **Reserve Fund.** A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
7. **Value-to-Debt Ratios.** The minimum value-to-date ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the assessment or special tax debt. In special circumstances, after conferring and receiving the concurrence of the City's financial advisor and bond counsel that a lower value-to-debt ratio is financially prudent under the circumstances, the City may consider allowing a value-to-debt ratio of 3:1. The Council should make special findings in this case.
8. **Appraisal Methodology.** Determination of value of property in the district shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal by an independent Member Appraisal Institute (MAI) licensed in the State of California. The definitions, standards and assumptions to be used for appraisals shall be determined by the City on a case-by-case basis, with input from City consultants and district applicants, and by reference to relevant materials and information promulgated by the State of California, including the Appraisal Standards for Land-Secured Financings prepared by the California Debt and Investment Advisory Commission.
9. **Capitalized Interest During Construction.** Decisions to capitalize interest will be made on case-by-case basis, with the intent that if allowed, it should improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.
10. **Maximum Burden.** Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property; and total property taxes, special assessments and special taxes payments collected on the tax roll should generally not exceed 2%.
11. **Benefit Apportionment.** Assessments ~~and special taxes~~ will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by - or burden attributed to - each parcel with respect to its financed improvement. Special taxes will be apportioned according to a formula that is reasonable. Any annual escalation factor should generally not exceed 2%. Approval by the Council of a district shall be conclusive evidence that this requirement has been met.
12. **Special Tax District Administration.** In the case of Mello-Roos or similar special tax districts, the total maximum annual tax ~~should not exceed~~should generally be structured to ensure it generates at least 110% of annual debt service. The rate and method of apportionment should include a back-up tax in the event of significant changes from the initial development plan, and should include procedures for prepayments.

13. **Foreclosure Covenants.** In managing administrative costs, the City will establish minimum delinquency amounts per owner, and for the district as a whole, on a case-by-case basis before initiating foreclosure proceedings, consistent with the foreclosure covenant set forth in the legal documents governing the bonds secured by the levy, if any.
14. **Disclosure to Bondholders.** In general, unless otherwise recommended by the City's financial advisor and/or underwriter, each property owner who accounts for more than 4020% of the annual debt service or bonded indebtedness must provide ongoing disclosure information annually as described under SEC Rule ~~15(e)-1215c2-12.~~
- ~~15. **Disclosure to Prospective Purchasers.** Full disclosure about outstanding balances and annual payments should be made by the seller to prospective buyers at the time that the buyer bids on the property. It should not be deferred to after the buyer has made the decision to purchase. When appropriate, applicants or property owners may be required to provide the City with a disclosure plan.~~

E. Conduit Financings

The City will consider requests for conduit financing on a case-by-case basis using the following criteria:

1. The City's bond counsel will review the terms of the financing, and render an opinion that there will be no liability to the City in issuing the bonds on behalf of the applicant.
2. There is a clearly articulated public purpose in providing the conduit financing.
3. The applicant is capable of achieving this public purpose.

This means that the review of requests for conduit financing will generally be a two- step process:

1. First asking the Council if they are interested in considering the request, and establishing the ground rules for evaluating it.
2. And then returning with the results of this evaluation, and recommending approval of appropriate financing documents if warranted.

This two-step approach ensures that the issues are clear for both the City and applicant, and that key policy questions are answered.

The work scope necessary to address these issues will vary from request to request, and will have to be determined on a case-by-case basis. Additionally, the City should generally be fully reimbursed for their costs in evaluating the request; however, this should also be determined on a case-by-case basis.

F. Refinancings

General Guidelines. Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:

1. There is a net economic benefit.
2. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.
3. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other sources.

Standards for Economic Savings. In general, refinancings for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.

1. Refinancings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
2. Refinancings with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective, including to achieve a benefit described above under "General Guidelines".

G. Interfund Transfers and Loans.

General. In order to achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity.

Any transfers between funds for operating purposes can only be made by the Director of Finance & Administrative Services, or designee, in accordance with the Adopted Budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons.

In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay in the loan in the near to intermediate term. From time-to-time, interfund borrowings may be appropriate; however, these are subject to the following criteria in ensuring that the fiduciary purpose of the fund is met:

1. Any other interfund borrowings for cash flow or other purposes require case-by-case approval by the Council and documented with a resolution and staff report.
2. The interfund borrowing has a stated interest rate, repayment schedule, and recorded in the City financial system.
3. Reported in the City debt schedule in the Proposed & Adopted budget documents, as well as the City annual financial statements.

Negative Funds. From time to time, the City may have funds that fall into a deficit position due to a variety of factors, including, but not limited to, unanticipated events, revenue shortfalls, higher than expected project expenditures, or timing of grant reimbursements. The Director of Finance & Administrative Services, in conjunction with applicable Department Heads, shall establish a "work out plan" for specific deficit funds to restore fund equity to a neutral or positive cash position. Depending upon the severity and specific circumstances surrounding the deficit, work out plans may span several years. The cash position of specific City funds shall continue to be communicated to the Council and public on the quarterly investment report.

H. Debt Reporting.

~~The City shall maintain compliance with the debt reporting requirements contained in Assembly Bill 2274. Effective January 1, 2015, Governmental issuers of debt must file reports with the California Debt and Investment Advisory Commission (CDIAC) relating to all debt issues. For purposes of CDIAC reporting, "debt issues" include the full range of financing vehicles, from lease financings for copiers to voter approved bond issues, and everything in between. Two such reports are required for a debt issuance: a pre-sale notice and a final notice.~~

~~The City shall continue to present a schedule of debt in the Proposed & Adopted budget documents.~~

I. Post-Issuance Internal Control Procedures and Reporting

When issuing debt, in addition to complying with the terms of this Policy, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the City will periodically review the requirements of, and will remain in compliance with, the following:

- Any continuing disclosure undertakings entered into by the City in accordance with SEC Rule 15c2-12.
- Any State law reporting requirements, including requirements to disclose information to the California Debt and Investment Advisory Commission (CDIAC).
- Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- The City's investment policies as they relate to the use and investment of bond proceeds.

Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the City upon the submission of one or more written requisitions by the City Manager or Director of Finance & Administrative Services (or a written designee), or (b) by the City, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the City.

The City shall continue to present a schedule of debt in the Proposed & Adopted budget documents.



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 11

DATE: November 12, 2019

TITLE: APPROVAL OF ITEMS PERTAINING TO PROFESSIONAL AUDIT SERVICES FOR THE CITY OF REEDLEY

- A) APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE A LETTER OF ENGAGEMENT WITH BRYANT L. JOLLEY CERTIFIED PUBLIC ACCOUNTANTS FOR PROFESSIONAL AUDIT SERVICES
- B) ADOPT RESOLUTION NO. 2019-102 AMENDING THE FY 2019-20 ADOPTED BUDGET TO APPROPRIATE \$5,000 IN THE GENERAL FUND AND ADDITIONAL UTILITY ENTERPRISE FUNDS TO COVER A HIGHER THAN BUDGETED COST FOR THE CITY'S ANNUAL FINANCIAL AUDIT

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

It is recommended that the City Council A) approve and authorize the City Manager execute a letter of engagement with Bryant L. Jolley Certified Public Accountants and B) adopt Resolution No. 2019-102 for the provision of professional audit services for the City of Reedley's annual financial statements for fiscal years ended June 30, 2019 through June 30, 2024.

EXECUTIVE SUMMARY

City staff sent out a Notification of Interest (NOI) for Professional Audit Services on September 5, 2019 to six CPA firms that were known to audit public entities. The NOI was also posted to the City's homepage. Three proposals were received, ranging in cost from \$37,500 to \$53,400 annually. After a thorough review of the proposals, all three firms adequately demonstrated their ability to sufficiently audit and prepare the City's annual financial statements. After considering a number of factors, staff selected and recommends Brant L. Jolley Certified Public Accountants as the successor audit firm for the City. Additional appropriations of \$5,000 are requested to cover the higher than historical cost for this service.

BACKGROUND

AB 1345, signed into law in 2012, dealt specifically with public entity auditor relationships. Known commonly as the "auditor rotation rule", it states that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-

14 fiscal year. In essence, the City was not required by statute to change its auditor relationship until the 2019-20 fiscal year.

FISCAL IMPACT

The City's previous cost of the annual audit was \$32,500. The annual fee will now be \$37,500 for the first two years, and increasing by \$500 per year for the remainder of the engagement term. The cost is currently split between the General Fund and enterprise funds. Additional appropriations of \$5,000 are needed this year to cover the higher than historical cost that is typically budgeted for this service.

ATTACHMENTS

Resolution No. 2019-102
Letter of Engagement

BUDGET AMENDMENT RESOLUTION 2019-102

The City Council of the City of Reedley does hereby amend the 2019-20 Budget as follows:

SECTION I - ADDITIONS

Account Number	Account Description	Amount
001-4140.3000	ASD General Fund Professional Services	\$ 1,250
050-4150.3000	ASD Water Fund Professional Services	\$ 1,250
052-4153.3000	ASD Sewer Fund Professional Services	\$ 1,250
053-4155.3000	ASD Disposal Fund Professional Services	\$ 1,250
Total		\$ 5,000

Purpose: Additional costs necessary to complete the FY 2018-19 Financial Audit

SECTION II - SOURCE OF FUNDING

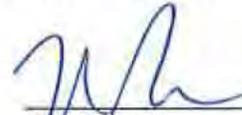
Account Number	Account Description	Amount
001-2710	General Fund Reserves	\$ (1,250)
050-2710	Water Fund Reserves	\$ (1,250)
052-2710	Sewer Fund Reserves	\$ (1,250)
053-2710	Disposal Fund Reserves	\$ (1,250)
Total		\$ (5,000)

Impact: Reduces Fund Balance Reserves

REVIEWED:


Assistant City Manager

RECOMMENDED:


City Manager

The foregoing resolution was approved by the City Council of the City of Reedley on November 12, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Frank Piñon, Mayor

ATTEST:

Sylvia Plata, City Clerk

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Jaribu Nelson C.P.A.
Lan T. Kinoto
Jeffrey M. Schili

October 24, 2019

To Honorable Mayor and City Council

City of Reedley

845 G. Street

Reedley, CA 93654

We are pleased to confirm our understanding of the services we are to provide City of Reedley for the years ended June 30, 2019, 2020, 2021, 2022, 2023 and 2024. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Reedley as of and for the fiscal years ended June 30 2019, 2020, 2021, 2022, 2023 and 2024. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Reedley's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Reedley's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budget Comparison Schedules
- 3) Schedule of the City's Proportionate Share of Net Pension Liability and OPEB Liability
- 4) Schedule of Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies City of Reedley's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards.
- 2) Combining Statements – Nonmajor Governmental Funds
- 3) Day Care Statements and Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the City Council of City of Reedley. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material

abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Reedley's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Reedley's major programs. The purpose of these procedures will be to express an opinion on City of Reedley's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Reedley in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by October of each year, if applicable.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our

report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City Council; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bryant L. Jolley, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bryant L. Jolley's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the

aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

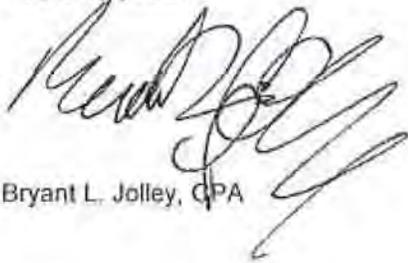
The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the City's Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit during September of each year and to issue our reports no later than December 15 of each year. Bryant L. Jolley is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be billed at standard hourly rates except that we agree that our gross fee will not exceed \$34,000, \$34,000, \$34,500, \$35,000, \$35,500 and \$36,000 for fiscal years ended June 30, 2019, 2020, 2021, 2022, 2023 and 2024, respectively. For years where a Single Audit is applicable, an additional \$3,500 will be billed. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Reedley and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Bryant L. Jolley, CPA

RESPONSE:

This letter correctly sets forth the understanding of City of Reedley.

Nicole R. Zieba, City Manager



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 12

DATE: November 12, 2019

TITLE: ADOPT RESOLUTION NO. 2019-104 AMENDING THE FISCAL YEAR 2019-2020 ADOPTED BUDGET TO APPROPRIATE SUFFICIENT FUNDS TO COVER ADDITIONAL COSTS FOR DESIGN AND ENGINEERING SERVICES FOR THE REPLACEMENT OF THE SEWER TRUNK PIPELINE FROM REED AVE. TO THE WASTE WATER TREATMENT PLANT.

SUBMITTED: Russ Robertson, Public Works Director *[Signature]*

APPROVED: Nicole R. Zieba, City Manager *[Signature]*

RECOMMENDATION

Adopt Resolution No. 2019-104 approving an amendment to the 2019-20 Fiscal Year Budget for the amount of \$77,710 to cover additional costs for design and engineering services related to the wastewater sewer trunk pipeline replacement project from Reed Ave. to the Waste Water Treatment Plant (Project).

EXECUTIVE SUMMARY

The City of Reedley's 2014 Integrated Master Plan identified, as an immediate need, the upsizing and replacement of the wastewater main pipeline extending from the wastewater treatment plant through Cricket Hollow, east along Olson Avenue to Reed Ave. The reason for the pipeline replacement is to address capacity system deficiencies as well as replacement of the pipe due to age and deterioration.

In June of 2018, the City Council approved Resolution 2018-068 granting authority to the City Manager to execute a professional services agreement with MKN & Associates for design and engineering services for the Project. The services agreement was for an amount of \$194,000. As the Project worked through the design phases it became apparent that additional on-site information was needed so ensure that the Project was properly designed and not over-built thus equating to potential construction cost savings.

Additional services and subsequent amendments have been required to keep the Project on schedule. The additional services include a segmented flow monitoring study, a multi-sensor inspection including Sonar/Laser profiling and digital CCTV of the sewer pipe. The additional services total \$77,710.

FISCAL IMPACT

A reduction of the Sewer Enterprise Fund balance of \$77,710.

ATTACHMENTS

1. Budget Amendment Resolution No. 2019-104

**BUDGET AMENDMENT
RESOLUTION 2019-104**

The City Council of the City of Reedley does hereby amend the 2019-2020 Budget as follows:

Section I - Additions:

FUND-DEPT.OBJECT	AMOUNT
051-4515.6434 Olson Sewer Main	\$77,710

Purpose: Amends the FY 2019-2020 Adopted Budget and appropriates \$77,710 from the Sewer Enterprise Fund for design and engineering services for the wastewater sewer trunk pipeline replacement project from Reed Ave. to the Waste Water Treatment Plant.

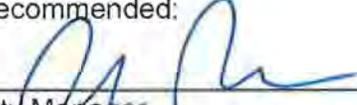
Section II – Source of Funding:

FUND	AMOUNT
051-2710 Sewer Enterprise Unallocated Fund Balance	\$77,710

Impact: Reduction of the Sewer Enterprise Fund Balance of \$77,710.

Reviewed:

Assistant City Manager

Recommended:

City Manager

The foregoing resolution is hereby adopted this 12th day of November, 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Frank Piñon, Mayor

ATTEST:

Sylvia B. Plata, City Clerk



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 13

DATE: November 12, 2019

TITLE: ADOPT RESOLUTION NO. 2019-105 APPROVING THE IMPROVEMENT AGREEMENT AND EXPANDED DIF REDUCTION FOR TRACT MAP 5263 (MONTE VISTA)

SUBMITTED: Rob Terry 
Community Development Director

 **APPROVED:** Nicole R. Zieba 
City Manager

RECOMMENDATION

Adopt Resolution No. 2019-059 authorizing the City Manager to make non-substantive changes to the attached draft agreement and sign final agreement with Efrain Yanez Construction, Inc. regarding the Improvement Agreement for Tract 5263 (Monte Vista), and approving the expanded reduction of Development Impact Fees (DIF) from the currently approved reduction of 25% to that of 50%.

EXECUTIVE SUMMARY

The owner of the area of Tract Map 5263, commonly referred to as Monte Vista, is requesting the City Council approve entering into an Improvement Agreement for timely completion of outstanding public facilities associated with serving the site, and is requesting approval for Development Impact Fees associated with the map be reduced by 50%, matching the reduction percentage applied to the "City Center" area within the current DIF Reduction Incentive Program, which was approved by Council on January 22, 2019 via Resolution 2019-009.

BACKGROUND

A final map for Tentative Subdivision Map 5263 (TSM 5263), was approved by the City Council on August 14, 2007, via Resolution No. 2007-052. On August 27, 2007, the then owner of the map and site entered into a subdivision improvement agreement with the City, but consequently failed to complete the public improvements detailed within the agreement, leaving the property in a partially developed state. In mid-2019 the map was purchased by

Efrain Yanez Construction, Inc., who has worked with the City to identify the outstanding public improvements required to complete the 17-lot single-family subdivision. (Note: one lot of the subdivision includes an existing occupied home, and one partially completed home which the current developer intends to rehabilitate. As such, 15 new units will be constructed). To ensure efficient documentation and oversight of outstanding improvement activities, an improvement agreement has been prepared, which details the history of the map, as well as notation of specific responsibilities associated with the build-out of the area. Outstanding improvement activities shall be secured by surety bond and other specifications, as contained within the agreement. Council may approve, approve with conditions, or disapprove the agreement.

On January 22, 2019, via Resolution 2019-009, the City Council approved the current DIF Reduction Incentive Program, which aimed to encourage in-fill development throughout the community. During the discussions for said program, areas within the community were highlighted due to the challenges and costs associated with addressing aging infrastructure, securing transfer of land ownership, working with site layout constraints, and incorporating other efforts needed to avoid/minimize negative impacts to existing facilities and neighborhoods. The Monte Vista area is especially unique, in that it is the only mapped area within the community where public improvements were only partially completed; including a partially constructed home. The additional costs and challenges associated with addressing partially installed infrastructure have been a consistent deterrent for many potential developers. As such, Staff is proposing a 50% reduction for the map area, matching the reduction percentage applied to the "City Center" area. Staff has determined that the request is consistent with the intent of the DIF Reduction Incentive Program and is appropriate due to the map's unique status.

FISCAL IMPACT

Current DIF's would equate to \$12,359 per unit (\$185,378 total for 15 units), which includes the 25% "In-fill" incentive rate. At 50%, DIF's would equate to \$8,239 per unit (\$123,585 total for 15 units). The results in a net difference of \$4,120 per unit (\$61,793 total for 15 units) in DIF's collected for the project.

PRIOR COUNCIL ACTIONS

No prior actions have been taken by Council in relation to this matter.

ATTACHMENTS

1. Resolution No. 2019-105
2. Draft Improvement Agreement for Monte Vista Estates (Tract 5263)

Motion: _____
Second: _____

RESOLUTION NO. 2019-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY APPROVING THE IMPROVEMENT AGREEMENT AND 50% DEVELOPMENT IMPACT FEE (DIF) REDUCTION FOR THE COMPLETION OF TRACT 5263 (MONTE VISTA).

WHEREAS, a final map for Tentative Subdivision Map 5263 (TSM 5263), was approved by the City Council on August 14, 2007, via Resolution No. 2007-052; and

WHEREAS, a Subdivision Improvement Agreement for TSM 5263 was approved by the City Council on August 27, 2007; and

WHEREAS, the developer associated with the above agreement consequently failed to complete the public improvements detailed within the agreement, leaving the property in a partially developed state; and

WHEREAS, the map has been purchased by Efrain Yanez Construction, Inc. who has approached the City to enter into a new improvement agreement; and

WHEREAS, the new owner is requesting the City reduce the Development Impact Fees (DIF) associated with completing development of the site to match the "City Center" reduced rate of 50%, in accordance with the DIF Reduction Incentive Program approved by City Council on January 22, 2019, via Resolution 2019-009.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Reedley using their independent judgment hereby resolves as follows:

1. That completion of Tract 5263 is necessary for the benefit of the community; and
2. Entering into an Improvement Agreement with the new owner (Efrain Yanez Construction, Inc.) allows for the outstanding improvements associated with the development to be addressed and completed in a timely and appropriate manner, and hereby authorizes the City Manager to enter into such an agreement; and
3. The DIF Reduction Incentive Program previously approved by City Council was put in place to encourage in-fill development throughout the community; and
4. While the project is within the "In-fill" reduction incentive rate area, which allows for a 25% reduction in DIF, this project is especially unique, in that it is the only mapped area within the community where public improvements were only partially completed, which adds significant additional cost and challenge for development; and
5. Given the map's unique status, City Council approves a reduction DIF to that of 50%, matching the reduction percentage applied to the "City Center" area through the DIF Reduction Incentive Program.

This foregoing resolution is hereby approved the 12th day of November, 2019, in the City of Reedley, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank Piñon, Mayor

ATTEST:

Sylvia Plata, City Clerk

Recorded by and for the
benefit of, and When
Recorded Mail to:

City of Reedley
Community Development Department
1733 9th Street
Reedley, CA 93654

Exempt from recording fees – Gov. Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBDIVISION IMPROVEMENT AGREEMENT FOR MONTE VISTA ESTATES
(TRACT MAP 5263)**

This Subdivision Improvement Agreement (“Agreement”) is made and entered into effective on _____, 2019 (“Effective Date”), by and between the City of Reedley, a municipal corporation, hereinafter referred to as “City” and EFRAIN YANEZ CONSTRUCTION, INC, a California Corporation, hereinafter referred to as “Developer”.

RECITALS

WHEREAS, Developer is engaged in developing that certain tract of land known and designated as Tract Map 5263, commonly referred to as Monte Vista Estates, situated in the City of Reedley, County of Fresno, State of California; and

WHEREAS, a final map for Tentative Subdivision Map 5263 (TSM 5263), was filed with the City Clerk of the City of Reedley for presentation to the City Council for its approval on August 14, 2007, via Resolution No. 2007-052, which map is hereby referred to and by such reference incorporated herein; and

WHEREAS, the City required, as a condition precedent to the acceptance and approval of said final map, the dedication of such rights of way for streets, public places, and easements as are delineated and shown on said final map, and deems the same as necessary for the public use, and also requires that any and all rights of way for streets, public places, and easements delineated and shown on said final map shall be improved by the construction and the installation of the improvements hereinafter specified; and

WHEREAS, Section 11-2-11 of the Reedley Municipal Code allows, as a condition to City's approval of the final subdivision map, for the City to require Developer to enter into a subdivision improvement agreement which provides for the Developer to complete improvements within a reasonable time following approval of the final map; and

WHEREAS, the final map for TSM 5263 was recorded by the Fresno County Clerk on September 19, 2007, via Document No. 20070174353.

WHEREAS, the original developer associated with TSM 5263, Monte Vista Estates LLC., failed to complete the public improvements associated with TSM 5263 as detailed within "Agreement for the Improvements of Tract No. 5263 Monte Vista Estates," dated August 27, 2007, leaving the property in a partially developed state; and

WHEREAS, Developer recently acquired TSM 5263, and now desires to complete the required improvements and build out the individual single-family residential lots, as previously approved and recorded.

NOW, THEREFORE, in consideration of the foregoing recitals which are a substantive part of this Agreement, Developer and the City do hereby mutually agree as follows:

AGREEMENT

1. Developer shall, at its own cost and expense, complete all of the improvements, furnish all the materials and do all the work herein above hereinafter mentioned, all in accordance with the Standard Specifications of the City, and unless otherwise specifically notated within this agreement, in accordance with and to the extent provided in those certain plans entitled "Plans for Construction of Tract No. 5263 Monte Vista Estates" prepared by Brook's Ransom Associates, approved by the City Engineer and by the City Council by Resolution No. 2007-052 and now on file in the office of the said City Engineer ("the Plans"), to which Plans reference is hereby made, and the same are hereby adopted and incorporated herein the same as if fully set forth herein verbatim, and in compliance with the provisions of Title 8 and 11 of the Reedley Municipal Code relating to regulations and standards for the subdivision of land in said City and for the preparation and presentation of subdivision maps therefor and in accordance with the listed items set forth on the Engineer's Estimate "Preliminary Engineer's Cost Estimate for Monte Vista (Tract 5263)", dated November 7, 2019 attached hereto and made a part hereof as Exhibit "A". Developer hereby agrees that the improvements required to be installed as set forth herein are necessary and will materially benefit the property within the Tract and shall complete the same no later than one (1) year from the Effective Date of this Agreement. Prior to allowance of final occupancy, Developer shall (i) petition and request that the City annex the TSM 5263 area into City's Landscape, Lighting and Maintenance District, Zone Z ("LLMD"), for the maintenance and operation of landscaping facilities, and (ii) petition and request that the City annex the TSM 5263 area into the City's Community Facilities District No. 2005-1 ("CFD") for the maintenance and operation of public services and facilities. Annexation of the property comprising TSM 5263 into both the City's LLMD and CFD is a condition precedent to the City's obligation to issue any certificate of final occupancy for

development or improvement of any parcel within TSM 5263, and Developer acknowledges and agrees that if this property were not part of the CFD, the City might lack the financial resources to operate facilities and provide adequate public services to the property.

The Developer shall provide on-site improvements subject to review and approval of the City. For purposes of this Agreement, the term "improvements" shall mean only improvements in the public rights-of-way easements and property for streets, sidewalks, storm drains, sewer mains, water mains, landscaping, utilities and related facilities.

Unless otherwise expressly provided in this Agreement, the Developer shall: (1) install and complete all improvements specified in the Plans; (2) install and complete all improvements required by the Conditions of Approval adopted by the Reedley Planning Commission by Resolution No. 2004-2; and (3) satisfy all requirements detailed in the Community Development Department Memo titled "Tract 5263, Monte Vista Estates – Project Review," dated October 25, 2019, which is attached hereto as Exhibit "B" and incorporated herein.

2. Any work required under this Agreement and not mentioned in the above-described Plans and specifications shall be constructed in accordance with the Standard Specifications of the City of Reedley. If the City has no Standard Specifications for any of said work, it is agreed that the same shall be done and performed in accordance with the most current "Standard Specifications of the State of California, Division of Highways". All of said work, improvements and materials shall be completed, performed and installed under the supervision of and to the satisfaction of the City Engineer of the City of Reedley.

3. Developer shall provide for the installation of all gas, electric, telephone, Cable T.V., private irrigation pipelines and other public utility lines and facilities and shall grant easements therefor. All underground utilities and improvements in streets and alleys shall be installed before surfacing of said streets and alleys. The Developer shall comply with all requirements of Title 11 of the Reedley Municipal Code concerning installation of Cable T.V. lines and facilities, and shall give all notices required by that title.

4. Prior to the issuance of a certificate of occupancy, and in order to secure for the City the faithful performance by Developer of all work and the construction of all improvements mentioned in this Agreement including the placement of all monuments as per said final map, within the time herein specified, Developer shall furnish the following to the City:

- i. a good and sufficient surety bond or other security acceptable to City securing the faithful performance of all work and the construction of all improvements herein mentioned in this agreement within the time specified and in the sum of two-hundred and two thousand nine-hundred dollars and zero cents (\$202,900.00); plus any amounts

incurred by the City to enforce the secured obligation, including costs and reasonable expenses and fees (including reasonable attorney's fees); and

- ii. a good and sufficient surety bond or other security acceptable to City securing the payment by Developer of all bills for labor, work and materials incurred in the construction of all said improvements and the performance of all work herein agreed to be done by said Developer, and amounts due under the Unemployment Insurance Act with respect to such work or labor, the amount of said bond to be one-hundred and one thousand four-hundred fifty dollars and zero cents (\$104,450.00), plus any amounts incurred by the City to enforce the secured obligation, including costs and reasonable expenses and fees (including reasonable attorney's fees); and.

Before acceptance of the subdivision improvements and the release of the faithful performance bond and the labor and materials bond, the Developer shall file with the City Clerk a surety bond or other security acceptable to the City to guarantee the repair of any of the improvements which may be found to be defective in work, labor, or materials within one (1) year after the written acceptance of the improvements by the City. Said Security shall be for twenty-thousand two-hundred ninety dollars and zero cents (\$20,290.00), plus an amount for cost and reasonable expenses and fees, including reasonable attorney's fees incurred by the City to enforce the secured obligation; and

All bonds required by this section shall be issued by a corporate surety authorized to do surety business in California and shall be on forms acceptable to the City.

5. The Developer shall protect, indemnify, and hold harmless the City, its officers, employees and volunteers thereof from any and all liability or claims (in contract, tort, strict liability or otherwise, including but not limited to personal injury, death at any time or property damage), because of or arising out of Developer's performance of this Agreement, or out of, any accident, occurrence, loss, damage or happening occurring upon or arising out of the construction of any of the improvements herein or the use by any person of any patent or patented articles in the construction of said work or improvements. The forgoing obligations shall survive completion or termination of this Agreement. The Developer agrees that the use of any and all streets and improvements herein above specified shall be, at all times prior to the final acceptance of said improvements by the City Council, the sole and exclusive risk of the Developer. The issuance of any occupancy permits by City for dwellings located within the said subdivision shall not be construed in any manner to be an acceptance and approval of any or all of said streets and/or improvements in said subdivision.

6. Developer, before commencing work pursuant to this Agreement, shall obtain and maintain in full force and effect during the performance of the work and improvements at its own expense

and risk, policies of insurance as follows and shall furnish evidence of such insurance by filing a certificate of insurance with the City Clerk. Such insurance shall name the City, its Council, officers, officials, employees and volunteers as insured or additional insureds, and shall indemnify the City and said persons against liability for loss or damage for personal injury including death, and property damage occasioned by the operations of the Developer or its employees, contractors or subcontractors under the terms of this Agreement in the minimum limits as follows:

- i.
 - a) **General Liability.** \$2,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 - b) **Automobile Liability.** \$2,000,000 combined single limit per accident for bodily injury and property damage.
 - c) **Worker's Compensation and Employer's Liability.** Worker's compensation limits as required by the Labor Code of the State of California and Employer's Liability limits of \$1,000,000 per accident.
- ii. The policies are to contain, or be endorsed to contain, the following provisions:
 - a) General Liability and Automobile Liability Coverages.
 - i) The City, its officers, officials, employees and volunteers are to be covered as insureds as respects liability arising out of activities performed by or on behalf of the Developer, products and completed operations of the Developer, premises owned, occupied or used by the Developer, or automobiles owned, leased, hired or borrowed by the Developer. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, or volunteers.
 - ii) The Developer's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Developer's insurance and shall not contribute with it.
 - iii) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

iv) The Developer's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

b) Worker's Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Developer under this agreement.

c) All Coverages. Each insurance policy required by this clause shall be issued by a corporate insurer authorized to do insurance business in California and shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City. Such notice requirement shall not contain "shall endeavor", "best efforts" or similar qualifiers.

iii. Verification of Coverage. Developer shall furnish the City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Where by statute the City's worker's compensation-related forms cannot be used, equivalent forms approved by the Insurance Commissioner are to be substituted. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. If such insurance is provided in either case by a policy or certificate which covers the Developer or other entity or person than the City, such policy shall contain the standard form of cross liability endorsement. Such insurance shall also specifically insure contractual liability assumed by Developer under the terms of this agreement.

7. Time is of the essence of this Agreement; provided, however, that in the event good cause is shown therefor to the City by Developer, City may extend the time in which the aforementioned improvements may be made and completed under this Agreement. Said extensions of time, if any, may be granted without notice to the surety and any extensions so granted shall not relieve the surety bond or other security deposited with the City given to secure Developer's performance under this agreement. City shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension of time hereunder.

8. All pipes and monuments shown on the final map hereinafter referred to which are destroyed or displaced during construction operations shall be replaced by Developer by the time of the final

inspection of the improvements hereunder by the City.

9. It is agreed that title and ownership of any improvements constructed hereunder by Developer shall vest absolutely in City upon completion and acceptance of such improvements by the City Council.

10. It is mutually understood and agreed that neither Developer nor any of its agents, employees or contractors are or shall be considered to be agents, representatives, or employees of the City in connection with the performance of Developer's obligations under this Agreement.

11. Developer shall pay to the City, for all engineering, inspection and other services provided by City in accordance with this Subdivision, amounts as set forth by adopted City ordinance and resolution in effect at time of payment. City shall, at the completion of the improvements provided for herein, furnish the Developer with a statement of all charges for services performed by the City in the event said actual costs exceed the payment previously made by Developer for such services. The Developer shall complete payment for such charges within thirty (30) days after receipt of such statement of actual costs.

12. Developer agrees that if, within a period of one (1) year after final acceptance of the work and improvements done under this Agreement, any improvements or part of any improvement furnished and/or installed or constructed or caused to be constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the Plans and other plans and specifications referred to herein, Developer shall, without delay and without any cost to the City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or improvements. The terms of this section shall not apply to any damage caused by acts of God. Should Developer fail to act promptly or in accordance with this requirement, or fail to do the construction as agreed upon herein, or should the exigencies of the case require repairs or replacements to be made before the Developer can be notified, the City may, at its option, make the necessary repairs or replacements or perform the necessary work and the Developer shall pay to the City the actual cost of such repairs plus thirty percent (30%) to cover the City's indirect and overhead costs. If the Developer fails to pay to the City the cost repairs plus thirty percent (30%), the City may, without limiting the Developer's liability therefor, file a claim against the bond posted to guarantee and warrant the work.

13. The Developer and its contractors shall pay when due for any materials, wages, subcontracts, labor, provisions, or other supplies and items used in conjunction with the work performed for the subject subdivision including, but not limited to, unemployment insurance and any other incidentals arising out of any necessary work or labor.

14. The Developer shall comply with all Street, Plumbing, Building, Electrical, Zoning Codes and any other applicable Codes, ordinances, standards and regulations of the City. Developer shall submit the proposed conditions, covenants, and restrictions to sales of lots within this subdivision to the City of Reedley for review and approval prior to any execution thereof.

15. If Developer fails to construct the improvements upon the terms and within the time required herein, City may complete or cause completion of the required improvements and assess the actual cost of completing the required improvements and file a claim against the bond posted to secure faithful performance of the work and improvements.

16. When the improvements are completely installed and accepted by the City Council and there is full performance pursuant to this Agreement, City agrees to release Developer and the described property from further obligation under this Agreement, except for those obligations, including but not limited to Sections 6 and 13, that by their nature continue after termination or completion of this Agreement.

17. All covenants in this Agreement shall pertain to and run with the described real property and shall apply to, bind, and inure to the parties hereto and the contractors, heirs, executors, administrators, assigns or successors in interest of the respective parties hereto.

18. Any notice required by law or by this Agreement shall be given by personal delivery of first class U.S. Mail. Notice by personal delivery will be effective on delivery and notice by mail will be considered effective three days after it is deposited in the U.S. Mail, postage paid, addressed to the City of Reedley, 1733 Ninth Street, Reedley, CA 93654, or to Developer, Efrain Yanez Construction, Inc., 42931 Rd. 52 Reedley, CA 93654 at their respective addresses as of the date of this Agreement, unless written notice of change or address has been received by the other party. If any action is required to enforce the provisions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees to be determined by a Court.

19. The Developer shall have a record drawing prepared by a civil engineer which denotes the final placement, location, and disposition of the improvements as constructed for water, sewer, storm drain, curb and gutter, and streets. Said "as-built" drawing shall be prepared and submitted to, and approved by, the City Engineer prior to the City Council's acceptance of the improvements.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective as of the Effective Date in the opening paragraph.

[Remainder of page blank – signatures appear on page 9]

CITY OF REEDLEY, a municipal corporation

EFRAIN YANEZ CONSTRUCTION, INC.,
a California Corporation

BY: _____
Nicole Zieba, City Manager
(Notary Acknowledgement to be Attached)

BY: _____
Efrain Yanez, Owner/President
(Notary Acknowledgement to be Attached)

ATTEST:

BY: _____
Sylvia Plata, City Clerk

APPROVED AS TO FORM:

BY: _____
Scott Cross, City Attorney

RECOMMEND APPROVAL:

BY: _____
Rob Terry,
Community Development Director



MEMORANDUM

Community Development Department
1733 Ninth Street, Reedley, CA 93654
(559) 637-4200

Date: October 25, 2019

Final Map Engineer of Record: Gaylord R. Ransom

To: Efrain Yanez

Improvement Plans: Brook's Ransom & Assoc.

From: Rob Terry, Community Development Director

Re: Tract No. 5263, Monte Vista Estates - Project Review

Construction at the site stopped many years ago and the required public improvements were not been completed. As a result of the dormant condition of the partially completed improvements associated with Tract No. 5263 (Monte Vista Estates), the following details below are provided to ensure the review, inspection and/or completion of critical infrastructure. Items 1 through 3 are the sole responsibility of the Developer, Efrain Yanez Construction, Inc. Item 4 is the responsibility of the City of Reedley.

1. Improvements to Myrtle Avenue (all improvements per subdivision improvement plans), including but not limited to:
 - a. Curb, gutter, sidewalk and pavement widening
 - b. Block wall along the easterly limits of Tract 5263
 - c. Streetlights, LED City standard
 - d. Street centerline monuments
2. Improvements to interior streets – Cedar Avenue and Valencia Avenue (all improvements per subdivision improvement plans), including but not limited to:
 - a. Water main - rechlorinate and pressure test. Locate water valves and verify condition. Locate water services and verify conditions.
 - b. Sewer main – ball and mandrel test and pressure test. Locate sewer manholes and verify condition. Locate sewer services and verify conditions.
 - c. Storm drain – locate storm drain manholes and verify condition.
 - d. Clear, grub and regrade
 - e. Scarify top 6-inches and compact subgrade
 - f. Install all street improvement, curb, gutter, sidewalk, driveway approaches, aggregate base and asphalt concrete.
 - g. Streetlights, LED City standard
 - h. Check with public utility companies (Gas, PG&E, Phone, CVT) regarding their facilities and requirements.
 - i. Street centerline monuments
3. Verify/complete retaining walls along the south property line of Tract No. 5263.
4. Improvements to Buttonwillow Avenue (within the public ROW, as originally indicated on Tract 5263 Improvement Plans) are now to be part of a future City *CDBG project, including but not limited to:
 - a. Curb, gutter, sidewalk and pavement widening along the east property line of Tract No. 5263.
 - b. Streetlights, LED City standard
 - c. Landscape and landscape irrigation along easterly limits of Tract No. 5263. Revise and update plans based on state mandated Urban Water Conservation requirements.
 - d. Underground existing overhead utilities along easterly limits of Tract No. 5263.

*NOTE: Prior to September 24, 2019, the City of Reedley anticipated a CDBG project entailing street improvements within the bounds of Tract No. 5263. However, on September 24, 2019, via Resolution 2019-080, the Reedley City Council approved a change in scope for this project, which now consists of improvements on Buttonwillow Avenue within the bounds of said tract. Graphic 1 below shows the areas of Tract No. 5263 that this change impacts.

Exhibit A - Preliminary Engineer's Cost Estimate for Monte Vista (Tract 5263)

11/7/2019

ITEM NO.	DESCRIPTION	QTY	UNIT	UNIT PRICE	AMOUNT
1	Earthwork (LS)	1	ls	\$ 2,500.00	\$ 2,500.00
2	Provide and Install Asphalt	826	tons	\$ 100.00	\$ 82,600.00
3	Provide and Install CL II Baserock	598	cy	\$ 30.00	\$ 17,940.00
4	Provide and Construct Curb and Gutter	1652	lf	\$ 25.00	\$ 41,300.00
5	Provide and Construct Downturn Curb	340	lf	\$ 25.00	\$ 8,500.00
6	Install Erosion Control BMP's, Complete and Inplace	1	ls	\$ 1,500.00	\$ 1,500.00
7	Provide and Install Drain Inlet Type "A", Complete and Inplace	3	ea	\$ 2,500.00	\$ 7,500.00
8	Provide and Construct Retaining Wall - Block, Complete and Inplace	316	lf	\$ 50.00	\$ 15,800.00
9	Provide and Construct Retaining Wall - Wood, Complete and Inplace	342	lf	\$ 30.00	\$ 10,260.00
10	Provide and Install Street Lights	2	ea	\$ 2,500.00	\$ 5,000.00
11	Provide and Install Wheelchair Ramps	4	ea	\$ 2,500.00	\$ 10,000.00
	Total				\$ 202,900.00



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 14

DATE: November 12, 2019

TITLE: CONSIDER ACTION RELATED TO ANNEXATION OF TERRITORY (ANNEXATION NO. 16) TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT 2005-1 (Public Services) WHICH INCLUDES THE FOLLOWING:

- A. RESOLUTION 2019-098, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY OF ANNEXATION OF TERRITORY TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND SUBMITTING THE QUESTION OF LEVYING A SPECIAL TAX WITHIN THE AREA PROPOSED TO BE ANNEXED TO QUALIFIED ELECTORS – ANNEXATION NO. 16
- B. RESOLUTION 2019-099, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

In procedural order

1. That the City Council hold a public hearing for the Annexation of Territory (Annexation No. 16) to Community Facilities District No. 2005-1 (Public Services).
2. Consider approval of Resolution No. 2019-098, a Resolution of the City Council of the City of Reedley of annexation of territory to the City of Reedley Community Facilities District No. 2005-1 (Public Services), authorizing the levy of a special tax, and submitting the question of levying a special tax within the area proposed to be annexed to qualified electors for Annexation Number 16.
3. Call for Special Election and have the City Clerk open the ballot(s) and announce the vote(s).
4. Consider approval of Resolution No. 2019-099, a Resolution of the City Council of the City of Reedley declaring results of special annexation election, determining validity of prior proceedings, and directing recording of amendment to notice of special tax lien.

EXECUTIVE SUMMARY

A condition to annex into the Community Facilities District (CFD) was imposed on new developments being processed by the City in November of 2005, when the District was established. Since that time, all properties must petition to be annexed to the existing CFD when development is proposed.

To initiate the process for annexation of territory to the CFD, the City Council approved a Resolution of Intention (Annexation No. 16) on October 8, 2019. The Resolution of Intention set a public hearing for November 12, 2019. The actions by the Council on November 12, 2019 finalize the annexation of territory to the CFD.

BACKGROUND

Since the requirement to annex into the CFD was imposed on all new development, development processed after November 2005 must be annexed into the existing CFD. Several property owners have submitted petitions to annex into the CFD as provided by the conditions of development of their property.

To initiate the process for annexation of territory to a CFD, the City Council approved a Resolution of Intention for Annexation No. 16 on October 8, 2019. The Resolution of Intention set a public hearing for November 12, 2019. The Rate and Method of Apportionment (RMA) referred to in the ROI is the same as adopted by the City Council with the Resolution of Formation in 2005. The RMA provides, amount other things, definitions, identifies what properties will be taxed, and the maximum special tax.

The purpose of the public hearing is to take public comment on the annexation of territory to the CFD and to accept protests from any property owner within the proposed boundaries. If no property protests are received, the Council may take the initial action to annex the territory to the CFD by approving a resolution on the annexation to the CFD and approving calling a special property owner election. Once the election is called, the City Clerk opens and tabulates the ballots. If two-thirds (2/3) of the returned ballots consent to the annexation, then the City Council can take action to direct the recording of the Notice of Special Tax Lien.

FISCAL IMPACT

If approved, the additional development to be annexed into the CFD will be placed on the tax rolls for the 2020-21 fiscal year and will generate approximately \$46,248 in annual revenue.

PRIOR COUNCIL ACTIONS

On November 5, 2005 the City Council adopted the Resolution of Formation of the Community Facility District. Fifteen property annexations have been completed since formation of the CFD. On October 8, 2019, the City Council initiated the annexation of territory (Annexation No. 16).

ATTACHMENTS

1. Map of CFD Annexation No. 16
2. Resolution 2019-098; Resolution Authorizing the Levy of Tax with Exhibit A Ballots
3. Resolution 2019-099; Resolution Declaring Results of Special Election with Exhibit A Results
4. Fresno County Recorders Office Filing of Amendment to Notice of Special Tax Lien
5. Fresno County Recorders Office Filing of Amendment A to Notice of Special Tax Lien APNs
6. Fresno County Recorders Office Filing of Amendment B to Notice of Special Tax Lien Canvass and Statement of Result of Election

Map of CFD Annexation No. 16

**Annexation Map No. 16
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)
CITY OF REEDLEY
COUNTY OF FRESNO
STATE OF CALIFORNIA**

Reference is hereby made to that certain map entitled "Proposed Boundary Map of the Community Facilities District No. 2005-1 (Public Services), City of Reedley, County of Fresno, State of California" filed the 12th day of October, 2005, at the hour of 4:00 o'clock p.m. in Book 41 of Maps of Assessment and Community Facilities District of Page 56, (document no. 024171900) in the office of the County Recorder of the County of Fresno, State of California, which this Annexation Map affects.

Filed in the office of the City Clerk of the City of Reedley this ____th day of October, 2019.

By: _____
Sylvia Plaza, City Clerk

I hereby certify that the within map showing proposed boundaries of Annexation No. 16 to the City of Reedley Community Facilities District No. 2005-1 (Public Services), County of Fresno, State of California, was approved by the City Council of the City of Reedley, at a meeting thereof, held on the ____th day of October, 2019, by its Resolution No. 2019-____.

By: _____
Sylvia Plaza, City Clerk

Filed this ____ day of _____, 2019, at the hour of ____ o'clock ____ m., in the Book ____ Page ____ of Maps of Assessment and Community Facilities Districts and as Instrument No. _____ in the office of the County Recorder in the County of Fresno, State of California.

Paul Dicks By: Deputy County Recorder
County Recorder
County of Fresno
State of California

NOTE

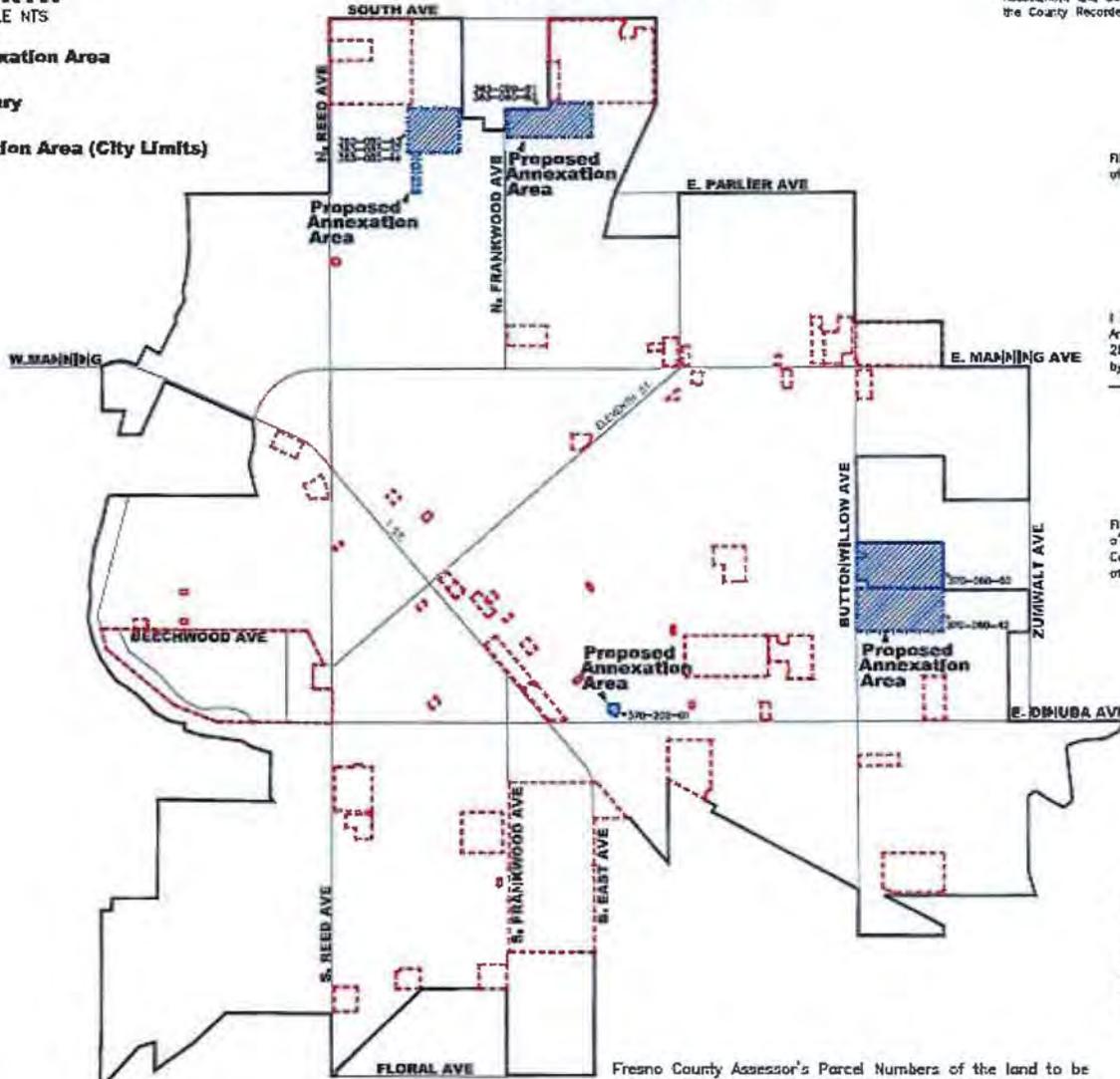
This diagram is only for the purpose of indicating the lots being assessed, the assigned assessment numbers for said lots and the relationship to the surrounding streets.

For a detailed description of the lines and dimension of the lots, reference is made to the Fresno County Assessor's Maps for the fiscal year 2019-2020. For the information on the streets and other appurtenant lines and dimensions within the subdivided area reference is made to the filed final tract maps.

Fresno County Assessor's Parcel Numbers of the land to be included in Community Facilities District No. 2005-1, Annexation Map No. 16: 363-080-43, 363-080-37, 363-080-44, 370-080-42, 370-080-60, 370-202-01, 363-090-61, and 363-090-63

Exempt from SE2 fees Gov't Code Sections 27388.1(a)(2)(D)

-  Proposed Annexation Area
-  Current Boundary
-  Future Annexation Area (City Limits)



Prepared By:
City of Reedley
Engineering Dept
1733 9th Street
Reedley, CA 93654
Phone (559) 637-4200

RESOLUTION NO. 2019-098

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY OF ANNEXATION OF TERRITORY TO THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1 (PUBLIC SERVICES), AUTHORIZING THE LEVY OF A SPECIAL TAX, AND SUBMITTING THE QUESTION OF LEVYING A SPECIAL TAX WITHIN THE AREA PROPOSED TO BE ANNEXED TO QUALIFIED ELECTORS – ANNEXATION NO. 16

RESOLVED, by the City Council (the "Council") of the City of Reedley (the "City"), as follows:

WHEREAS, this Council on October 8, 2019 adopted its Resolution No. 2019-084 (the "Resolution of Intention") stating its intention to annex certain territory identified as Annexation No. 16 to the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"); and

WHEREAS, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the territory to be annexed to the District and stating the services to be funded by the District and the rate and method of apportionment of the special tax to be levied within the District to pay for the services is on file with the City Clerk and the provisions thereof are fully incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on the date hereof, this Council held a public hearing as required by the Act and the Resolution of Intention relative to the proposed annexation of territory to the District; and

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the annexation of territory to the District and the levy of special taxes within the area proposed to be annexed were heard and a full and fair hearing was held; and

WHEREAS, prior to the closing of the hearing, written protests were not made against the proposed annexation of territory to the District by (i) 50% or more of the registered voters residing in the existing District, or (ii) 50% or more of the registered voters residing in the territory proposed to be annexed to the District, or (iii) owners of one-half or more of the area of land in the existing District, or (iv) owners of one-half or more of the area of land in the territory proposed to be annexed to the District, and written or oral protests were not made by interested persons in sufficient number to preclude further proceedings to annex the territory proposed; and

WHEREAS, Annexation Map No. 16 to the District shows the territory to be annexed in these proceedings, and a copy of the map is on file with the City Clerk.

NOW, THEREFORE, IT IS HEREBY ORDERED by the City Council of the City of Reedley as follows:

Section 1. All prior proceedings taken by this Council with respect to the District and the proposed Annexation No. 12 have been duly considered and are hereby determined to be valid and in conformity with the Act, and the District has been validly established pursuant to the Act.

Section 2. The boundaries of the territory to be annexed to the District, as described in Annexation Map No. 12 to the District on file with the City Clerk and which Map shall be filed with and duly recorded by the County Recorder of the County of Fresno following approval of this Resolution, are hereby finally approved, are incorporated herein by this reference, and shall be included within the boundaries of the District, and said territory is hereby ordered annexed to the District, subject to voter approval of the levy of the special taxes therein as hereinafter provided.

Section 3. The provisions of the Resolution of Intention as adopted by this Council on October 8, 2019 are by this reference incorporated herein as if fully set forth herein.

Section 4. Pursuant to the provisions of the Act, the proposition of the levy of the special tax within the territory to be annexed to the District shall be submitted to the qualified electors of the area proposed to be annexed to the District at an election called therefore as hereinafter provided.

Section 5. This Council hereby finds that fewer than 12 persons have been registered to vote within the territory proposed to be annexed to the District for each of the 90 days preceding the close of the public hearing heretofore conducted and concluded by this Council for the purposes of these annexation proceedings. Accordingly, and pursuant to Section 53326 of the Act, this Council finds that the qualified electors for purposes of the annexation election are the landowners within the territory proposed to be annexed to the District and that the vote shall be by said landowners, each having one vote for each acre or portion thereof such landowner owns in the territory proposed to be annexed to the District.

Section 6. Pursuant to the Act, the election shall be conducted by mail ballot under Section 4000 of the California Elections Code.

Section 7. This Council acknowledges that the City Clerk has caused ballots in the forms set forth in **Exhibit "A"** attached hereto to be delivered to the sole qualified electors (landowners) of the territory proposed to be annexed. Each ballot indicated the number of votes to be voted by the landowner.

Each ballot was accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot was enclosed with the ballot, had the return postage prepaid, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of

the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing Council.

Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act and the landowners' Petitions requesting annexation of the territory identified as Annexation No. 16.

Section 8. The City Clerk shall accept the ballot of the qualified elector in the City of Reedley City Council meeting room until 7:00 p.m. on November 12, 2019, whether the ballot is personally delivered or is received by mail. The City Clerk shall have ballots available which may be marked at said location on the election day by the qualified elector.

Section 9. This Council hereby calls a special election to consider the measure described in the ballot referred to below, which election shall be held on November 12, 2019 in the regular meeting place of the City Council, City Hall Council Chambers, Reedley California. This Council further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days following the adoption of this Resolution to elapse before said special election is for the protection of the qualified electors of the territory to be annexed to the District and that the voters have waived such requirement and the date for the election herein specified is established accordingly.

Section 10. The City Clerk is hereby appointed as the election official to conduct the election and shall cause to be provided to each landowner in the territory to be annexed to the District. The City Clerk shall accept the ballots of the qualified electors received prior to 7:00 p.m. on November 12, 2019, whether received by mail or by personal delivery.

PASSED, APPROVED AND ADOPTED, this 12th day of November, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank Piñon, Mayor

ATTEST:

Sylvia Plata, City Clerk

**CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

**OFFICIAL BALLOT
ANNEXATION NO. 16
(November 12, 2019)**

This ballot is for the special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Reedley no later than immediately after adoption of the resolution of the City Council of the City calling said election, either by mail or in person, scheduled for November 12, 2019 at 7:00 p.m. in the City of Reedley Council Chambers. The City Clerk's office is located at 1717 Ninth Street, Reedley, California 93654.

To vote, mark a cross (X) in the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Reedley and obtain another.

BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No. 2005-109, adopted by the Council of the City of Reedley on September 27, 2005?

YES: _____

NO: _____

By execution in the space provided below, you also confirm your waiver of any time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

Number of Votes:	14 Vote(s) - Total Acreage 13.35
Fresno County Assessor's Parcel No:	363-080-43, 363-080-37, 363-080-44
Property Owned by:	Self-Help Enterprises Thomas J. Collishaw, President/CEO P.O. Box 6520 Visalia, CA 93290

Property Owner:

By: _____

Print Name: _____

Title: _____

**CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

**OFFICIAL BALLOT
ANNEXATION NO. 16
(November 12, 2019)**

This ballot is for the special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Reedley no later than immediately after adoption of the resolution of the City Council of the City calling said election, either by mail or in person, scheduled for November 12, 2019 at 7:00 p.m. in the City of Reedley Council Chambers. The City Clerk's office is located at 1717 Ninth Street, Reedley, California 93654.

To vote, mark a cross (X) in the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

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YES: _____

NO: _____

By execution in the space provided below, you also confirm your waiver of any time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

Number of Votes:	1 Vote(s) - Total Acreage .52
Fresno County Assessor's Parcel No:	370-202-01
Property Owned by:	City of Reedley 845 "G" Street Reedley, CA 93654

Property Owner:

By: _____

Print Name: _____

Title: _____

**CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

**OFFICIAL BALLOT
ANNEXATION NO. 16
(November 12, 2019)**

This ballot is for the special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Reedley no later than immediately after adoption of the resolution of the City Council of the City calling said election, either by mail or in person, scheduled for November 12, 2019 at 7:00 p.m. in the City of Reedley Council Chambers. The City Clerk's office is located at 1717 Ninth Street, Reedley, California 93654.

To vote, mark a cross (X) in the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Reedley and obtain another.

BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No. 2005-109, adopted by the Council of the City of Reedley on September 27, 2005?

YES: _____

NO: _____

By execution in the space provided below, you also confirm your waiver of any time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

Number of Votes:	20 Vote(s) - Total Acreage 19.88
Fresno County Assessor's Parcel No:	370-060-42
Property Owned by:	Hammerstrom Janelee Volkmann Trustee 1550 Kamm #103 Kingsburg, CA 93631

Property Owner:

By: _____

Print Name: _____

Title: _____

**CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

**OFFICIAL BALLOT
ANNEXATION NO. 16
(November 12, 2019)**

This ballot is for the special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Reedley no later than immediately after adoption of the resolution of the City Council of the City calling said election, either by mail or in person, scheduled for November 12, 2019 at 7:00 p.m. in the City of Reedley Council Chambers. The City Clerk's office is located at 1717 Ninth Street, Reedley, California 93654.

To vote, mark a cross (X) in the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Reedley and obtain another.

BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No. 2005-109, adopted by the Council of the City of Reedley on September 27, 2005?

YES: _____

NO: _____

By execution in the space provided below, you also confirm your waiver of any time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

Number of Votes:	14 Vote(s) - Total Acreage 13.657
Fresno County Assessor's Parcel No:	363-090-61 , 363-090-83
Property Owned by:	Francia M. Leland & Margaret S. Doherty, As Successory Trustees of the Fino 1994 Revocable Living Trust 2351 NW Westover Rd #1104 Portland OR 97210

Property Owner:

By: _____

Print Name: _____

Title: _____

**CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

**OFFICIAL BALLOT
ANNEXATION NO. 16
(November 12, 2019)**

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BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No. 2005-109, adopted by the Council of the City of Reedley on September 27, 2005?

YES: _____

NO: _____

By execution in the space provided below, you also confirm your waiver of any time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

Number of Votes:	40 20 Vote(s) 19.01 Total Acreage 38.89 (19.88, 19.01 Respectively)
Fresno County Assessor's Parcel No:	370-060-42 , 370-060-60
Property Owned by:	Theodore Mullin Trustee 9 Stevens CT Tiburon, CA 94920

Property Owner:

By: _____

Print Name: _____

Title: _____

RESOLUTION NO. 2019-099

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

**City of Reedley
Community Facilities District No. 2005-1
(Public Services)
Annexation No. 16**

RESOLVED, by the City Council (the "Council") of the City of Reedley (the "City"), as follows:

WHEREAS, in proceedings conducted by this Council in accordance with the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), this Council has duly adopted, after a duly noticed public hearing, Resolution No. 2017-069 calling a special election of the qualified landowner electors in the territory of land proposed to be annexed to Community Facilities District No. 2005-1 (Public Services) (the "District"); and,

WHEREAS, pursuant to the terms of the Resolution of Annexation, which is by this reference incorporated herein, the special election has been held and the City Clerk has filed a Canvass and Statement of Result of Election, a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, this Council has reviewed said Canvass and hereby approves it; and,

NOW, THEREFORE, IT IS HEREBY ORDERED by the City Council of the City of Reedley as follows:

Section 1. The question presented at the special election was the levy of a special tax within the territory annexed to the District, to be levied in accordance with the formula heretofore approved by this Council, all as described in Resolution No. 2019-084, a Resolution of Intention to Annex Territory to the Community Facilities District, authorizing the levy of a Special Tax and Submitting Levy of Tax to Qualified Electors, adopted October 8, 2019.

Section 2. Pursuant to the Canvass on file with the City Clerk, the question presented at the special election was approved by the landowners of the territory annexed to the District.

Section 3. Pursuant to the voter approval, the annexed territory is hereby declared to be fully annexed to and part of the District and this Council may levy special taxes therein as heretofore provided in these proceedings.

Section 4. It is hereby found that all prior proceedings and actions taken by this Council with respect to the District and the territory annexed thereto were valid and in conformity with the Act.

Section 5. Within 15 days of the date of adoption hereof, the City Clerk shall execute and cause to be recorded in the office of the County Recorder of the County of Fresno, an Amendment to Notice of Special Tax Lien, in the form required by Section 3117.5 of the California Streets and Highways Code.

Section 6. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED, this 12th day of November, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Frank Piñon, Mayor

Sylvia Plata, City Clerk

EXHIBIT "A" TO RESOLUTION

(PUBLIC SERVICES)

ANNEXATION No. 16 ELECTION CANVASS AND STATEMENT OF RESULT OF ELECTION

I hereby certify that on this date, I canvassed the returns of the election held on this date in the territory annexed to the City of Reedley Community Facilities District No. 2005-1 (Public Services) which election is designated as the Annexation No. 16 Election, and the total number of ballots cast in the territory to be annexed and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Reedley Community Facilities District No. 2005-1 Annexation No. 16 Election, November 12, 2019	<u>69</u>	<u> </u>	<u> </u>	<u> </u>

BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No. 2019-084, adopted by the Council of the City of Reedley on October 8, 2019.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this _____ day of _____, 20_____.

CITY OF REEDLEY

By: _____
Sylvia Plata, City Clerk

**Recorded for and by the benefit of and
When recorded Mail to:**

Exempt from SB2 fees per Gov't Code Section 27388.1(a)(2)(D)

City of Reedley
City Clerk
1717 Ninth Street
Reedley, California 93654

AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)
Annexation No. 16

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311, *et. seq.*, of the California Government Code (the "Act"), the undersigned City Clerk of the City of Reedley (the "City"), County of Fresno, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City, County of Fresno, State of California, on the property described herein. The special tax secured by this lien is authorized to be levied for the purpose of paying the costs of services described in, and said special tax is to be levied according to the rate and method of apportionment set forth in, that certain Notice of Special Tax Lien heretofore recorded in the Office of the County Recorder of the County of Fresno, State of California on November 22, 2005 at the hour of 2:17 o'clock p.m. as Document No. 20050275325, to which recorded Notice of Special Tax Lien reference is hereby made and the provisions of which are hereby incorporated herein in full by this reference.

This Amendment to Notice of Special Tax Lien amends the Notice of Special Tax Lien to add to the territory of the City of Reedley Community Facilities District No. 2005-1 (Public Services) the lands set forth in that certain "Annexation Map No. 16 of the City of Reedley Community Facilities District No. 2005-1 (Public Services), County of Fresno, State of California," heretofore recorded on 10-21-2019. at Maps of Assessment and Community Facilities Districts (Document No. 2019-0125459) in the office of the County Recorder of the County of Fresno, State of California.

The assessor's tax parcel number(s) of all parcels or any portion thereof which are included in this 16 th Amendment to Notice of Special Tax Lien, together with the name(s) of the owner(s) thereof, as they appear on the latest secured assessment roll as of the date of recording hereof or as are otherwise known to the City are as set forth in **Exhibit A** hereto and hereby made a part hereof. **Exhibit B** hereto and hereby made a part hereof contains results of the election of Annexation 16.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Assistant City Manager of the City of Reedley, 845 "G" Street, Reedley, California 93654, telephone number (559) 637-4200 extension 300.

Dated: _____

By: _____
Sylvia Plata, City Clerk

EXHIBIT "A" TO NOTICE OF SPECIAL TAX LIEN

CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)
ANNEXATION No. 16

ASSESSOR'S PARCELNUMBERS AND OWNERS OF LAND WITHIN
ANNEXATION NO. 16 TO CITY OF REEDLEY
COMMUNITY FACILITIES DISTRICT NO. 2005-01
(PUBLIC SERVICES)

Fresno County Assessor's Parcel Nos.

Name of Property Owners

363-080-43	Self Help Enterprises Thomas J. Collishaw, President/CEO P.O. Box 6520 Visalia, CA 93290
370-060-60	Theodore Mullin Trustee 9 Stevens CT Tiburon, CA 94920
370-060-42	Hammerstrom Janelee Volkmann Trustee 1550 Kamm #103 Kingsburg, CA 93631
363-090-61 363-090-83	Francia M. Leland & Margaret S. Doherty, As Successory Trustees of the Fino 1994 Revocable Living Trust 4629 Marine Dr. Place Bremerton, WA 98312 2351 NW Westover Rd #1104 Portland OR 97210
370-202-01	City of Reedley 845 G Street Reedley, CA 93654

**EXHIBIT "B" TO NOTICE OF SPECIAL TAX LIEN
ANNEXATION NO. 16 ELECTION
CANVASS AND STATEMENT OF RESULT OF ELECTION**

I hereby certify that on this date, I canvassed the returns of the election held on this date in the territory annexed to the City of Reedley Community Facilities District No. 2005-1 (Public Services) which election is designated as the Annexation No. 16 Election, and the total number of ballots cast in the territory to be annexed and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

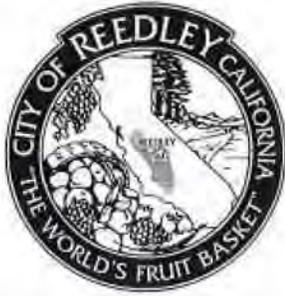
	Qualified Landowner Votes	Votes Cast	YES	NO
City of Reedley Community Facilities District No. 2005-1 Annexation No. 16 Election, November 12, 2019	<u>69</u>	_____	_____	_____

BALLOT MEASURE: Shall the City of Reedley, by and for its City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District"), be authorized to levy special taxes within the territory annexed to the District pursuant to and as described in Resolution No.2019-084, adopted by the Council of the City of Reedley on October 8, 2019.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this _____ day of _____, 20_____.

CITY OF REEDLEY

By: _____
Sylvia Plata, City Clerk



REEDLEY CITY COUNCIL

- Consent Calendar
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 15

DATE: November 12, 2019

TITLE: INTRODUCTION AND FIRST READING OF ORDINANCE NO. 2019-009, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY AMENDING SECTION 4-1-6 AND AMENDING VARIOUS PROVISIONS OF CHAPTER 1 OF TITLE 8 OF THE REEDLEY MUNICIPAL CODE PERTAINING TO WATER SYSTEM REGULATIONS.

SUBMITTED: Paul Melikian, Assistant City Manager
Russ Robertson, Public Works Director *MR*

APPROVED: Nicole Zieba, City Manager *NZ*

RECOMMENDATIONS

Staff recommends that the City Council of the City of Reedley hold a Public Hearing on the Introduction and First Reading of Ordinance No. 2019-009, an Ordinance of the City Council of the City of Reedley amending Title 4, Chapter 1, Article 6, and Title 8, Chapter 1, Articles 1, 3, 6, 10, 11, and 13 pertaining to rate collection due dates and City water system requirements and regulations.

EXECUTIVE SUMMARY

In order to comply with SB 998, also known as the Water Shutoff Protection Act, and to provide clarity and consistency in regards to City water system requirements and regulations staff is proposing amended and modified language to certain sections of Title 4 and Title 8 of the City of Reedley Municipal Code. Some of the sections, such as 8-1-1, 8-1-10, and 8-1-11 have not been updated since 1914. Section 8-1-6 pertains to water meters and was last updated 38 years ago, long before water meters were required by the State of California. The amended section deletes outdated language and provides current information for the brand, size, and location of City water meters, as well as responsibility for damaged or vandalized water meters. Amended language to Section 8-1-13-4(A) provides clarification and definition of the customer's water system as well as private fire line services. To reduce codification costs, staff desired to make the billing and water system code section updates at the same time.

Attached to this staff report are the proposed changes to The Reedley Municipal code sections as proposed in Ordinance 2019-009.

BACKGROUND

BACKGROUND

On August 27, 2019, the City Council received a briefing on SB 998, Discontinuation of Residential Water Service, known as the Water Shutoff Protection Act, that was signed into law September 28, 2018. It requires all public water systems with more than 200 service connections provide certain notices and options be given to customers before residential water service may be terminated for nonpayment of a delinquent account. The effective date of the changes is February 1, 2020. Commercial service accounts are not affected by SB 998. Although the City has more lenient shut off practices than most surrounding communities, there are still many updates to operating procedures and billing practices that will require custom programming of the City's utility billing software, adoption of new policies, and revisions to City ordinances.

Under requirements set forth under SB 998, residential accounts must be at least 60-days delinquent before service is discontinued. Fortunately, this portion of the City's current shutoff practices currently align with the new law; however, a slight modification is necessary to the due dates of the bills/charges of all three of the City provided utilities in the municipal code. The due dates are proposed to be changed to the 6th of the month from the current 13th and 15th of the month. Utility bills are currently considered late if payment is not received by the 15th of the month, or next business day if the 15th falls on a weekend/holiday. The change is necessary so that the City's current practice of performing service shut offs approximately two and a half months after an account becomes delinquent can still occur.

If the due dates are not revised, the City will not be able to disconnect service for delinquent accounts until almost three months of services have been provided, and current security deposits will not be sufficient to cover the possible loss of revenue. This is primarily due to a new requirement set forth in SB 998, that residential service may be discontinued no sooner than five (5) business days after posting final notice of intent to disconnect service at the property, which is currently covered by the City's practice of delivering "door hangers". This is a substantial increase in time to customers to pay their delinquent account before shutoff, as the City currently provides approximately two (2) business days' notice from the time of placing the door hangar before water service is ultimately shut off.

During the course of the last several months, staff have also been working on updating and amending Municipal Code language regarding the requirements and regulations of the City's water system.

In Section 8-1-1, language has been added to further delineate the City's liability and rights to shut off the water for emergency repairs, health reasons, or other important water system maintenance issues.

Language was added in Section 8-1-3 to add clarification and detail to the City's mandatory water connection requirement.

In Section 8-1-6 regarding Water Meters, wording was deleted that was adopted in 1981, prior to the State's water meter requirements. Updated language is provided to cover current State requirements, locations, brands, and sizes of water meters, as well as responsibility for water meters and water infrastructure within a private or gated community.

Section 8-1-11, Unlawful Interference, was updated to include specific language about vandalism, tampering, or destroying any part of the water system including the unauthorized turning on or turning off of any water supply.

In Section 8-1-13-4, Requirements, additional language was added to provide a more detailed description of the Customer's system in an effort to avoid confusion. The Customer's system previously

began at the connection to the City's water main, however, the City is now responsible for the water meters that were installed per the State mandate and the City is now assuming responsibility for the water service line from the water main to the water meter. All piping on the customers side of the water meter will be defined as the Customer's system and the customer will be fully responsible for that infrastructure. The lone exception shall be private or gated communities. The Customer's water system definition will not change and shall begin at the connection to the water main pipeline. The City will only be responsible for the water meter itself and no underground infrastructure within the private or gated community. Some clarifying wording was also added regarding Customer's responsibility for private fire service lines.

ATTACHMENTS

1. Ordinance 2019-009

ORDINANCE NO. 2019-009

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY
AMENDING SECTION 4-1-6 AND AMENDING VARIOUS PROVISIONS OF
CHAPTER 1 OF TITLE 8 OF THE REEDLEY MUNICIPAL CODE
PERTAINING TO WATER SYSTEM REGULATIONS**

THE CITY COUNCIL OF THE CITY OF REEDLEY DOES ORDAIN AS FOLLOWS:

SECTION 1: Section 4-1-6 of Chapter 1 of Title 4 of the Reedley Municipal Code is hereby amended in its entirety to read as follows:

4-1-6: RATES FOR COLLECTION:

- D. Fees; Due Dates; Billing: All fees provided for in this chapter shall be due and payable in advance. Bills for the removal of regular garbage and yard waste shall be rendered at least once a month; provided, however, all customers of the city's water system shall be billed for the service on their monthly water and sewer bill, and the whole thereof shall be payable as provided in the laws regulating the collection of water bills in the city. When such bills are not paid, they shall become delinquent ~~after~~ ~~upon~~ the ~~sixth~~ ~~fifteenth~~ day of the month ~~next succeeding~~ ~~the period for which billed,~~ ~~at which time and~~ in which event the solid waste service provided for by this chapter may be subject to immediate discontinuance without further notice. In addition thereto, the city may sue in the civil courts for the collections of such fees.

SECTION 2: Sections 8-1-1, 8-1-3, 8-1-6, 8-1-10, 8-1-11, 8-1-13-2, and 8-1-13-4 of Chapter 1 of Title 8 of the Reedley Municipal Code are hereby amended, respectively, to read as follows:

8-1-1: CITY WATER SYSTEM:

The Municipal waterworks shall be known as the Reedley City Water Department, and shall be under the direct control and supervision of the Public Works Director. Water supply and service will be provided by the City to customers within the limits of the City of Reedley, or as otherwise approved, in accordance with this chapter and other applicable regulations governing said service as adopted and amended from time to time by the City Council or applicable regulating agencies.

The City will deliver water to its customers at the City's point of responsibility to the customer's system (customer's system as defined in 8-1-13-4(A)(4)).

A. Non-Liability of City

Except for meeting applicable state water quality standards, the City is not responsible and will not be liable to any customer for any loss, damage, or inconvenience to any

customer by reason of water quality; water shortage or insufficiency; any suspension, interruption, discontinuation, or shut off of water service; or any increase or decrease of water pressure.

B. Service Interruption

The City reserves the right at any and all times to shut off water delivery for any purpose, including but not limited to maintenance, emergency repairs, public health or safety, water conservation, or improvements to the system. As reasonably practical, the City will attempt to provide advance notice by personal contact, mail, or door hanger, of any interruption of service to all water users affected by the interruption.

8-1-3: MANDATORY CONNECTION REQUIRED:

Any buildings within the City limits of the City of Reedley, including but not limited all residential, industrial, educational, governmental, and commercial buildings, located on property adjacent to a water main, or in a block through which a water main extends, must apply for connection and connect to the City water system as provided herein, except as otherwise provided in subsection C below.

- A. Connection To System: Every building permit issued either for the construction of a new building or for remodeling of an existing building, if the remodeling cost is twenty five percent (25%) or more of the current assessed valuation, shall require the building to be connected to the City water system. If the parcel being built on does not have water service, the building permit shall require the extension of a water main across the entire frontage of the property being improved and the installation of water service to serve the parcel. The person applying for the building permit shall install the water main and water service, or shall cause it to be installed, to the satisfaction of the City Engineer.
- B. Required Connection: All buildings currently served by a well or other private systems, situated within the City, which have water mains available shall connect to the City water system within ninety (90) days after date of official notice to do so if one or more of the following applies:
 - 1. The current well or private system servicing the building(s) has systemically failed.
 - 2. The current well or private system servicing the building(s) does not test in conformance with required health and safety standards, as determined by the Director of Public Works and/or the appropriate County or State health official.

Connections to the City water system are all at the expense of the owner of said property. At any time, a property owner may elect to establish a City water system connection in accordance with section 8-1-7 of this chapter. At the time of connection, no well or private system connection may continue to serve the living

areas or building(s) on-site. However, an existing well or private system may still be utilized for the purposes of agricultural irrigation alone, in accordance with section 8-1-9 of this chapter, barring that such system tests in conformance with required health and safety standards, as determined by the Director of Public Works and/or the appropriate County or State health official.

For purposes of this subsection, "available" shall mean having a water main in an easement or roadway abutting the parcel.

- C. Relief From Water Service Connection Requirements: When the City Council determines that special circumstances make connection to the City water system an unreasonable hardship on a property owner, the City Council may, by resolution, suspend the requirement to connect to the City water system for a specific time or for the time the special circumstances exist. **Additionally, a connection may be delayed or exempted by the Public Works Director on the grounds that the building is unoccupied and not used by any person(s) and no human needs are generated therein.**

8-1-6: WATER METERS:

~~Any consumer may substitute the meter rate for the fixed rate provided by requesting (in writing) the city to install a meter on his service. A consumer requesting the meter shall deposit in cash an amount equal to the cost of the meter and cost of installing. Said money to be refunded to depositor only on return of meter in good order and termination of service.~~

~~The city council may require the installation of water meters and charge the meter rate on existing commercial, industrial and institutional services as it deems necessary to provide for the cost of operation of the water system and the equitable distribution of said costs to users of said system. The payment of cost for such meter and installation thereof shall be by the user and be based on actual costs. The charge for each size meter and installation thereof shall be set by resolution of the city council as to amount, time and method of payment.~~

~~All new building construction other than residential or all new connections to the water system other than residential made after the effective date hereof shall provide a meter and be charged for usage based on the meter rate. (Ord. 639, 5-5-1981)~~

All water supplied to customers shall be measured through water meters. Water meters installed must be of the same brand and model used by the City unless a compatible brand or model is approved by the Public Works Director or City Engineer, and the meter and specific size of the meter must be approved by the City Engineer before purchase or installation. Water meters shall be located at or near the customer property line but not located on the customer's property unless approved by the City Engineer or Public Works Director. The proposed location of the water meter must be approved by the Public Works Director or City Engineer prior to installation. The customer or developer responsible for installing the meter is responsible for all costs associated with the approval, purchase, and installation of the water meter.

- A. Installation: Meters shall be installed behind the curb or within a public utility easement. Exact location of meter installation shall be approved by the Public Works Director or City Engineer prior to installation. Meters shall be owned by the City and be replaced at its expense after the payment of the charges established therefor. Any person causing damage to a meter such that it must be replaced or repaired shall be responsible for reimbursing the City the cost to replace or repair the meter. No rent or other charge will be paid by the City for a meter or other facilities, including housings and connections, located on the premises of the applicant. All meters will be sealed by the City at the time of installation, and no seal shall be altered or broken except by an authorized City employee or designee.
- B. Relocation: Meters moved for the convenience of the customer will be relocated at the customer's expense and only under the authorization of the Public Works Director or City Engineer. Meters moved to protect the City's property will be moved at the City's expense.
- C. Nonregistering Meters: If a meter is found to not be registering, the charge for services to the premises shall be at the minimum monthly rate or shall be based on the minimum monthly rate plus estimated consumption if previous consumption information is available. Such estimates shall be made from a previous consumption for a comparable period or by such other method as is determined by the City Water Department, and its decision shall be final.
- D. Water meters within gated or private community: The City shall be responsible for the reading and maintenance of any water meter located within a gated or private community. All other water infrastructure located within the private or gated community including, without limitation, all water piping, valves, and hydrants beginning at the point of connection to the City's water distribution main shall be the sole responsibility of the customer(s).

8-1-10:INSPECTION AND ENFORCEMENT:

- A. Authority To Inspect: ~~The public works director or the city council~~ The Public Works Director, City Engineer, Director of Finance, or any other authorized representative of the City shall have the right, during normal working hours, to enter upon, ~~and examine~~ any premises receiving City water service for the purpose of reading, inspecting, testing, checking, repairing, maintaining, or replacing the City's water meters and water system components, and insuring compliance with the City's laws and regulations pertaining to water and water services. ~~the condition of the service and distributing system of pipes on premises supplied by the city water division.~~

The public works director may, without notice, shut off water to any consumer or premises, if the water shall be ~~wasted or carelessly used~~ disposed or used in violation

of any law, or if the water bills shall be and remain unpaid for a period of more than six (6) ~~thirteen (13)~~ days.

- B. Access To Hydrants: It shall be unlawful for any person to place on or about, or near any hydrant, gate valve or stopcock connected with the municipal waterworks system, any rubbish, building material or other substance so as to prevent the free and easy access to such hydrant, gate valve or stopcock at any time.

8-1-11: UNLAWFUL INTERFERENCE:

It shall be unlawful for any person, unless under the direction and authorization of the public works director or authorized City representative to do, commit or assist in committing any of the following acts: ~~tap the mains, or in any way to interfere with, or to handle the valves, cocks, hydrants, engines, meters, or meter seals, or valve seals, the pumping machinery or other apparatus connected with the fire or water system. (Ord. 30, 6-23-1914)~~

- A. To open or close any control valve or fire hydrant connected with the City's water system or lift or remove the cover of any gate valve or shutoffs thereof.
- B. To interfere with, destroy, deface, injure or force open any gate or door, or destroy, injure or deface any part of any well, engine house, reservoir, standpipe, tank, building, appurtenances, fences, trees, shrubs, fixtures or property connected or pertaining to the City Water System.
- C. To go upon or ascend the stairway or steps of any elevated water storage tank owned or leased by the City.
- D. To make or permit to be made any connection with a main or service pipes of the City Water System, or to turn on or use the water of said system without first obtaining a permit for such use.
- E. To remove, interfere, or tamper with any water meter that is part of the City's water system.
- F. To turn on the water supply to any building or to any supply pipe where the supply has been turned off. Only authorized City staff may turn water back on after the service has been shut off because of the nonpayment of any charge, termination of the water service account, or because of the violation of any City rule, regulation, ordinance, resolution or policy.

8-1-13-2: DEFINITIONS:

CUSTOMER'S WATER SYSTEM: The piping and parts used to convey water supplied by the city water system throughout the customer's facility premises, including those parts, facilities, and improvements described in Section 8-1-13-4(A).

8-1-13-4: REQUIREMENTS

A. Water System

1. The water system shall be considered as made up of two (2) parts: the city system and the customer system.
2. The city system shall consist of the source facilities and the distribution system, and shall include all those facilities of the water system under complete control of the city, from the source of supply up to the point where the customer's system begins. The city system shall include all components of the facilities utilized in the production, treatment, storage and the delivery of water to the distribution system.
3. The distribution system shall include those parts of the facilities beyond the termination of the city distribution system which are utilized in conveying city delivered domestic water to point of use.
4. The customer's system shall include ~~those parts of the facilities beyond the termination of the city distribution system which are utilized in conveying city delivered domestic water to point of use.~~ any and all water infrastructure on the customer's side of the City's water meter. In the event that a City water meter does not exist, the customer's system shall begin at the point of connection to the City's water main pipe. Within a gated or private community all water infrastructure, with the exception of the City's water meter, located within the private property or gated community including all water piping, valves, and hydrants, beginning at the point of connection to the City's water distribution main shall be the sole responsibility of the customer(s).
5. Private fire service: The customer assumes full responsibility for the operation, maintenance, repair, and replacement of any private fire system from the connection point to the City's water main pipe.

SECTION 3: Section 8-4-4 of Chapter 4 of Title 4 of the Reedley Municipal Code is hereby amended in its entirety to read as follows:

8-4-4: DELINQUENT CHARGES

The charges made by this chapter, if not paid by the ~~sixth~~ ^{fifteenth} day of the month following the month for which the charge was made, shall become delinquent.

In the event that the charges made by this chapter become delinquent, water service may be discontinued by the city and such water service shall not be resumed until all delinquent charges, together with any service charges necessitated by resumption of water service, have been fully paid.

SECTION 4: If any article, section, subsection, sentence, clause, or phrase of this ordinance is held by a court of competent jurisdiction to be invalid, such decision shall not affect the remaining portions this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each article, section, subsection, sentence, clause, and phrase hereof, irrespective of the fact that one or more articles, sections, subsections, sentences, clauses, and phrases be declared invalid.

SECTION 5: The City Clerk is hereby directed to cause this ordinance or a summary thereof to be published in a newspaper of general circulation in accordance with the provisions of Government Code Section 36933.

SECTION 6: The City Clerk is further directed to cause this ordinance to be codified after its adoption.

SECTION 7: This ordinance shall take effect and be in full force thirty (30) days after its final passage and adoption.

The foregoing Ordinance No. 2019-009 was introduced at a regular meeting of the City Council of the City of Reedley held on November 12, 2019, and was thereafter duly adopted at a regular meeting of said City Council held on December 10, 2019, by the following vote:

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

Frank Piñon, Mayor

ATTEST:

Sylvia B. Plata, City Clerk

INTRODUCTION TO ORDINANCE 2019-009



WHY CHANGES?

- Compliance with SB 998 – Water Shutoff Protection Act
- Provide clarity and consistency regarding City water system requirements and a detailed description of City’s water system and “Customer’s System”

SB 998 – DISCONTINUATION OF RESIDENTIAL WATER SERVICE

- *Section 4-1-6(D): Rates for Collection*
- *Section 8-1-10: Inspection and Enforcement*
- *Section 8-4-4: Delinquent Charges*
- Effective February 1, 2020, residential accounts must be at least 60-days delinquent before service is discontinued
- Slight modification is necessary to the due dates of the bills/charges to the 6th of the month from the current 13th and 15th of the month as listed in the ordinance
 - Utility bills are currently considered late if payment is not received by the 15th of the month, or next business day if the 15th falls on a weekend/holiday

SB 998

- Necessary so that the City's current practice of performing service shut offs approximately two and a half months after an account becomes delinquent can still occur
- Leaving the due date 'as is' will have a negative financial impact to the enterprise funds
- No impact to vast majority of rate payers as late fees only apply after 60 days of delinquency/non-payment.

SECTION 8-1-1: CITY WATER SYSTEM (1914)

- ***Non-Liability of City***

- City not responsible or liable for any loss or damage due to water quality, water shortage or water pressure.

- ***Service Interruption***

- City reserves the right to shut off water service for maintenance, emergency repair or public health and safety
- As reasonably practical, the City will attempt to provide advance notice to water users affected by the service interruption.

SECTION 8-1-3: MANDATORY CONNECTION REQUIRED

- Additional language providing clarification to the City's mandatory water connection requirement
- Any building adjacent to a City water main must apply for water service connection
- Article C provides relief from this requirement if City Council determines that special circumstances make the connection an unreasonable hardship on a property owner.

SECTION 8-1-6: WATER METERS

- Deletion of wording adopted in 1981, prior to the State mandating water meters for every water service.
- Updated language to cover:
 - Current state requirements
 - Locations, brands, and sizes of water meters to be used
 - Responsibility of water meters within a private or gated community

SECTION 8-1-10: INSPECTION AND ENFORCEMENT

- Last updated in 1914
- Updated definition of the authority to enter private property for the purpose of reading or repairing the City's water meters and water system components.
- Authority to shut off water service if water is disposed or used in violation of any law.

SECTION 8-1-11: UNLAWFUL INTERFERENCE

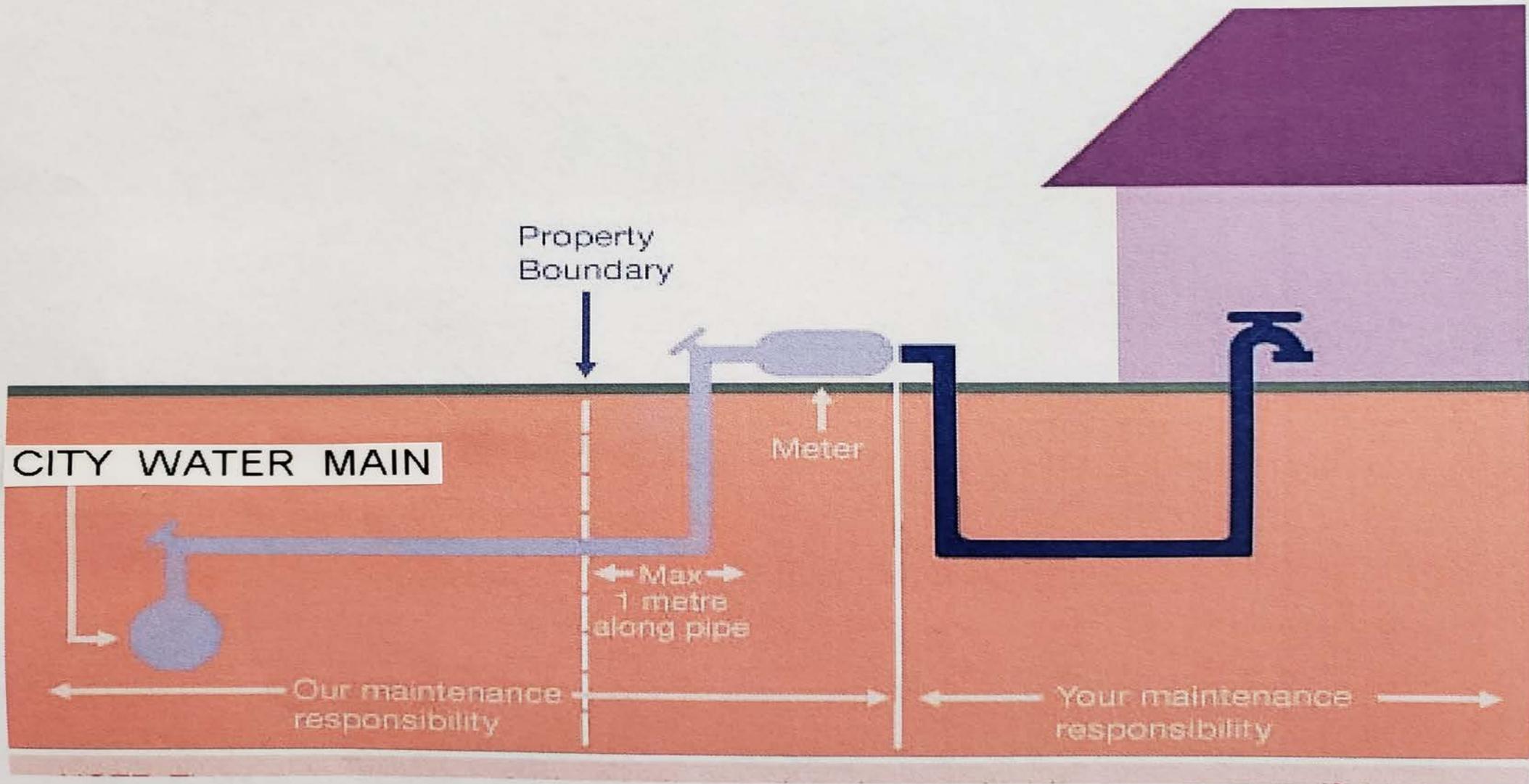
- Updated to include specific language about vandalism, tampering, or destroying any part of the water system
- Prohibits turning on the water supply where the service has been turned due to non-payment or violation of City Ordinance.

SECTION 8-1-13-2: DEFINITIONS

- Provide additional detail to the definition of the Customer's Water System

SECTION 8-1-13-4: REQUIREMENTS

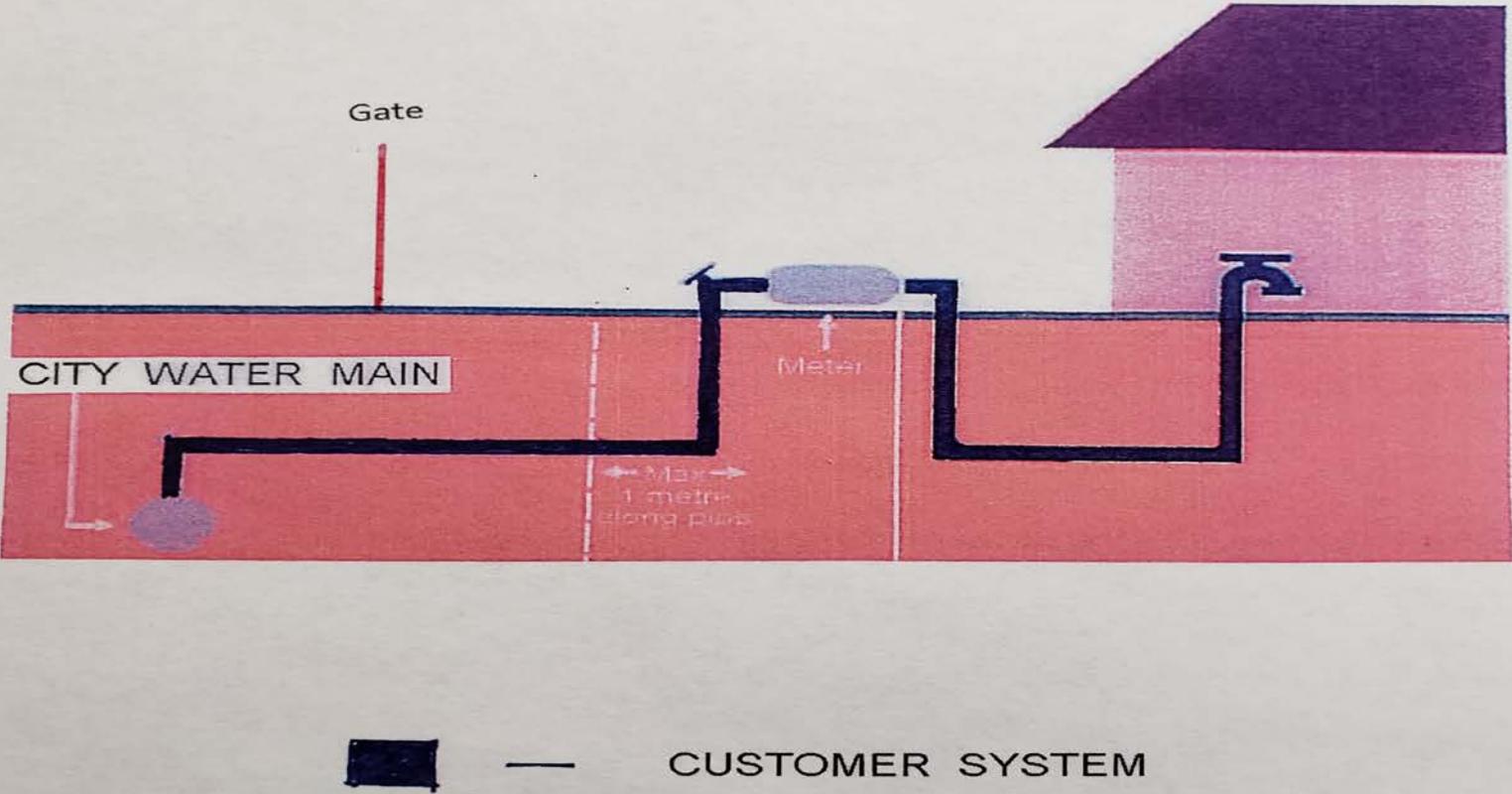
- Additional language added to provide a more detailed and updated description of the “Customer’s System”.
- Description of “Customer’s System” in private or gated communities.
- Clarifying language regarding private fire service lines.



Gated Communities



GATED/PRIVATE COMMUNITIES



QUESTIONS





REEDLEY CITY COUNCIL

- Consent Calendar
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 16

DATE: November 12, 2019

TITLE: Introduce and Waive First Reading of Ordinance 2019-008, Adoption of 2019 California Building Standards Code, and Schedule Public Hearing to Consider Adoption of Ordinance 2019-008.

SUBMITTED: Jerry Isaak, Fire Chief
Reedley Fire Department

Gary Higginbotham
Community Development Department, Building Official

APPROVED: Nicole R. Zieba
City Manager

RECOMMENDATION

Staff recommends that the City Council approve the introduction and waive the first reading of Ordinance No. 2019-008 adopting the subject codes, and schedule a public hearing on December 10, 2019, to consider adoption of the Ordinance.

BACKGROUND

The last update to the City's Building Codes was conducted in December of 2016 when the City Council adopted Ordinance No. 2016-004 amending Chapter 1 of Title 9 as it relates to adoption of codes. This action adopted the 2016 Building Standards Code.

As an operating practice, every three years (during its triennial cycle) the California Building Standards Commission (BSC) reviews the newest model codes published by various independent code-developing bodies. On July 1, 2019, the State adopted the 2019 California Building Standards Code, which will become effective on January 1, 2020. The 2019 California Building Standards Code includes the following;

- Title 24, California Code of Regulations;
- o Part 1 – California Administrative Code
 - o Part 2 – California Building Code
 - o Part 2.5 – California Residential Building Code

- o Part 3 – California Electrical Code
- o Part 4 – California Mechanical Code
- o Part 5 – California Plumbing Code
- o Part 6 – California Energy Code
- o Part 8 – California Historical Building Code
- o Part 9 – California Fire Code
- o Part 10 – California Existing Building Code
- o Part 11 – California Green Building Standards Code
- o Part 12 – California Reference Standards Code

As a result of the Building Standards Commission’s action, each city and county agency may adopt this new code with local amendments by January 1, 2020. If no local action is taken by this date, then the State’s Code in its entirety is applicable to the agency when processing building and grading permit applications.

DISCUSSION

The Council has the ability to make local amendments based upon local needs and conditions, which will ensure code enforcement will align with existing processes within the City (regulations and code enforcement by other departments). The State Code establishes a minimum level of standards that can only be increased (but not decreased) through local amendments.

Currently, one of these amendments to our existing code relates to automatic sprinkler systems and where they are required as stated in Section 9-1-2(A)(d)(6) of Chapter 1 of Title 9 of the Reedley City Code. This amendment is in conformance with existing amended code language and will be changed to reflect the corresponding Section of the newly adopted code.

In addition, the Reedley City Code will be amended as follows;

- o Section 9-1-2(A) is amended to add item 7 which amends Chapter 1, Section 1.8.8 of the California Building Code Standards regarding the Appeals Board.
- o Section 9-1-2(B) is amended to add Section 89.108.8.1 of the California Electrical Code regarding the Appeals Board.

The above listed amendments are being carried over from the previous code adoption cycle.

FISCAL IMPACT

Budgeted item:	No
Expenditure:	Approx. \$2,000
Fund Acct(s):	TBD

ATTACHMENTS

1. Ordinance 2019-008

Motion: _____

Second: _____

ORDINANCE NO. 2019-008

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING THE 2019 CALIFORNIA BUILDING STANDARDS CODE AND AMENDING CHAPTER 1 OF TITLE 9 OF THE REEDLEY CITY CODE RELATING TO THE BUILDING CODES

THE CITY COUNCIL OF THE CITY OF REEDLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS AND CONDITIONS: The City Council is informed and finds that pursuant to the Health and Safety Code, Sections 17958.7 and 18941.5, it is reasonably necessary to adopt and amend the requirements of the 2019 edition of the California Fire Code to properly protect the health, safety and welfare of the existing and future residents and workers within the City, and that these amendments are justified by particular climatic conditions that include, but are not limited by the following findings:

1.1 CLIMATIC – EXTREME TEMPERATURES

1.1.1 The region is subject to relatively low amounts of precipitation, very low humidity levels and extremely high temperatures. These climatic conditions are conducive to the spread of fire. Attached as Exhibit 1 and incorporated by reference is historical data compiled by the National Weather Service documenting temperatures experienced in Fresno and the greater area which includes Reedley for the months of May through October, and data from the Western Regional Climatic Center documenting humidity. The temperature data shows that during the months of June, July, August and September, the daily high temperature has averaged in excess of 90 degrees, and temperatures often exceed 100 degrees Fahrenheit. During the same months humidity is usually less than 40%, and humidity measurements near 20% are not uncommon. These conditions contribute to an increased likelihood of fire. Moreover, minor fires have a greater tendency of spreading rapidly due to such conditions.

1.1.2 The Heat Stress Index published by the Federal Emergency Management Agency in its publication entitled Emergency Incident Rehabilitation sets forth the stress placed on the human body when exposed to various temperatures and humidity's. This Heat Stress Index is attached as Exhibit 2 and incorporated by reference. A note under the Heat Stress Index Chart states that 10 degrees should be added to the temperature when protective clothing is worn and an additional 10 degrees should be added when standing in direct sunlight. According to this chart, a person exposed to temperatures between 90 and 105 degrees is subject to heat cramps and heat exhaustion.

1.1.3 Because of the extreme heat Reedley experiences during the summer months, Reedley Firefighters responding to fires and other incidents are regularly exposed to temperatures in excess of 105 degrees, when accounting for their protective gear, exposing them to the probability of heat cramps, heat exhaustion and possibly heat stroke.

SECTION 2. Section 9-1-1 of Chapter 1 of Title 9 of the Reedley City Code is hereby amended to read as follows:

“9-1-1: ADOPTION OF CODES: Pursuant to the provisions of Government Code section 50022.2, the City Council does hereby adopt by specific reference thereto and incorporation herein by said reference, the provisions, rules and regulations specified and set forth in the following codes, subject to the amendments, if any, set forth in section 9-1-2 of this chapter:

- | | |
|--------------------------------------|---|
| Administrative code | California Administrative Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission; |
| Building code | California Building Code, 2019 edition, including appendices as follows, as published by the California Building Standards Commission; <ul style="list-style-type: none">○ Appendix C: Group U – Agricultural Buildings○ Appendix F: Rodent proofing○ Appendix G: Flood-Resistant Construction○ Appendix H: Signs○ Appendix I: Patio Covers○ Appendix J: Grading○ Appendix K: Flood Protection Plan |
| California Residential Building code | California Residential Building Code Part 2.5, 2019 edition, including appendices as follows, as published by the California Building Standards Commission; <ul style="list-style-type: none">○ Appendix G: Swimming Pools○ Appendix H: Patio Covers○ DELETE Section 1.8.8 Appeals Board. |
| Electrical code | California Electrical code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission; <ul style="list-style-type: none">○ DELETE Section 89.108.8 Appeals Board. |
| Mechanical code | Uniform Mechanical Code, 2019 edition, including appendices as follows, as published by the California Building Standards Commission; <ul style="list-style-type: none">○ Appendix B: Procedures to be followed to Place Equipment into Operation○ Appendix C: Installation and Testing of Oil (liquid) Fuel-fired Equipment○ DELETE Section 1.8.8 Appeals Board. |

	<ul style="list-style-type: none"> ○ Appendix F: Sizing of Venting Systems Serving Appliances Equipped With Draft Hoods, Category 1 Appliances, and Appliances Listed For Use With Type B Vents
Plumbing code	<p>California Plumbing Code, 2019 edition, including appendices as follows, as published by the California Building Standards Commission;</p> <ul style="list-style-type: none"> ○ Appendix A: Recommended Rules of Sizing the Water Supply System ○ Appendix B: Explanatory Notes on Combination Waste and Vent Systems ○ Appendix D: Sizing Storm Water Drainage Systems ○ Appendix I: Installation Standards ○ Appendix H: Private Sewage Systems ○ DELETE Section 1.8.8 Appeals Board.
Energy code	<p>California Energy Code, 2019 edition, <i>excluding</i> appendices thereto, as published by the California Energy Standards Commission;</p>
Historical Building code	<p>California Historical Building Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission;</p>
Fire code	<p>California Fire Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission;</p>
Existing Building code	<p>California Existing Building Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission;</p>
Green Building Standards code	<p>California green building Standards Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission;</p>
Reference Standards code	<p>California Reference Standards Code, 2019 edition, including appendices thereto, as published by the California Building Standards Commission;</p>
Housing Code	<p>Uniform Housing Code, 1997 edition, as published by the International Conference of Building Officials;</p>
Abatement of dangerous buildings	<p>Uniform Code for the Abatement of Dangerous Buildings, 1997 edition, as published by the</p>

International Conference of Building Officials;

The above codes are hereby adopted by the City Council as the building codes of the City, for all intents and purposes and to the same effect as if each and every section, paragraph, subparagraph, word, phrase or clause contained therein were fully set forth herein. If any section, subsection, sentence, clause or phrase of this chapter is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares it would have adopted each section, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional. One copy of each of said codes hereby adopted are on file in the office of the building official and is available for examination by the public.

SECTION 3. Section 9-1-2(A)(6) of Chapter 1 of Title 9 of the Reedley City Code is hereby amended to read as follows:

“6. Section 903 of the 2019 California Building Code and the 2019 California Fire Code is hereby amended to add subsection 903.1.1.1. as follows:

903.1.1.1. Automatic Sprinklers, Where Required.

Notwithstanding any other provision of this code, standard automatic sprinkler systems shall be installed and maintained in all group A, B, E, F, I, M, S, U, and H5 occupancies exceeding five thousand (5,000) square feet in gross floor area. When such areas have any eaves or an overhang exceeding a distance of three feet (3') from the wall or support, the gross roof area shall include, but not be limited to, covered walkways, patios, porches or any architectural feature attached to or within ten feet (10') of the structure. In existing buildings where an automatic sprinkler system does not exist, and a change in the character of occupancy or use is made, or the floor area is increased, and the gross floor area exceeds the areas set forth in this subsection before or after the addition or change, an approved automatic sprinkler system shall be installed through the structure, unless a specific development agreement is approved by the building official for the existing areas.

Area separation walls, occupancy separation walls, or parapets shall not be used to create separate buildings on the same property to exclude required automatic sprinkler systems.

SECTION 4. Section 9-1-2(A)(7) of Chapter 1 of Title 9 of the Reedley City Code is hereby added to read as follows:

“7. Chapter 1 of the 2019 California Building Code is hereby amended to read as follows:

Section 1.8.8 Appeals Board

1.8.8.1 General. Every city, county or city and county shall establish a local appeals board and a housing appeals board. The local appeals board and housing appeals board shall be the governing body of the city. The board may appoint one or more hearing examiners to hear appeals brought before the board. The hearing examiners shall not be employees of the jurisdiction and shall be qualified and specifically knowledgeable in the California Building Standards Codes and applicable local ordinances. The hearing examiner or examiners shall submit a written report to the board. Such report shall contain a brief summary of the evidence considered and state the examiners findings, conclusions and recommendations.

SECTION 5. Section 9-1-2(B) of Chapter 1 of Title 9 of the Reedley City Code is hereby modified to read as follows:

“B. Electrical Code:

Section 89.108.8 Appeals Board

89.108.8.1 General. Every city, county or city and county shall establish a local appeals board and a housing appeals board. The local appeals board and housing appeals board shall be the governing body of the city. The board may appoint one or more hearing examiners to hear appeals brought before the board. The hearing examiners shall not be employees of the jurisdiction and shall be qualified and specifically knowledgeable in the California Building Standards Codes and applicable local ordinances. The hearing examiner or examiners shall submit a written report to the board. Such report shall contain a brief summary of the evidence considered and state the examiners findings, conclusions and recommendations.

SECTION 6. The City Clerk is hereby directed to cause a summary of this Ordinance to be published by one insertion in a newspaper of general circulation in the community at least five (5) days prior to adoption and again fifteen (15) days after its adoption. If a summary of the ordinance is published, then the City Clerk shall cause a certified copy of the full text of the proposed ordinance to be posted in the office of the City Clerk at least five days prior to the Council meeting at which the ordinance is adopted and again after the meeting at which the ordinance is adopted. The summary shall be approved by the City Attorney.

This Ordinance shall take effect and be in full force thirty (30) days from and after its adoption.

I hereby certify that the foregoing Ordinance No. 2019-008 was introduced and given first reading by title only at a regular meeting of the City Council of the City of Reedley held on the 12th day of November, 2019, and was thereafter duly passed, approved, and adopted at a regular meeting of said City Council held on the 10th day of December, 2019, by the following vote:

AYES:

NOES:

ABSENT:
ABSTAIN:

Frank Pinon, Mayor

ATTEST:

Sylvia Plata, City Clerk

EXHIBIT 1, PAGE 2

Fresno, CA - June 2019

CN0556 KHNX 161738
CF6FAT
PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6)

STATION: FRESNO CA
MONTH: JUNE
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

TEMPERATURE IN F:				PCPN:	SNOW:	WIND:	SUNSHINE:	SKY:	PK WND:									
1	2	3	4	5	6A	8B	7	8	9	10	11	12	13	14	15	16	17	18
01	MAX	MIN	AVG	DEP	HDD	CDD	MTR	SNW	DPTH	SPD	DIR	MIN	PSBL	S-S	WX	SPD	DR	
1	83	64	79	5	0	14	0.00	0.0	0	5.5	12	320	M	M	5	15	330	
2	91	67	79	5	0	14	0.00	0.0	0	6.1	15	330	M	M	4	22	310	
3	92	65	79	5	0	14	0.00	0.0	0	5.1	15	300	M	M	3	17	300	
4	96	72	84	10	0	19	0.00	0.0	0	6.8	15	310	M	M	2	18	310	
5	101	75	88	13	0	23	0.00	0.0	0	7.6	18	320	M	M	1	24	310	
6	92	67	80	5	0	15	0.00	0.0	0	15.7	25	310	M	M	4	8	29	300
7	82	59	71	-4	0	6	0.00	0.0	0	13.4	23	310	M	M	3	8	27	310
8	86	56	71	-4	0	6	0.00	0.0	0	6.7	15	320	M	M	7	31	310	
9	96	64	80	4	0	15	0.00	0.0	0	5.5	13	320	M	M	5	14	310	
10	103	70	87	11	0	22	0.00	0.0	0	4.6	12	300	M	M	7	16	330	
11	103	75	89	13	0	24	0.00	0.0	0	4.1	15	120	M	M	6	8	18	120
12	106	77	92	16	0	27	0.00	0.0	0	8.2	18	300	M	M	5	22	300	
13	99	72	86	10	0	21	0.00	0.0	0	8.6	23	310	M	M	2	4	27	310
14	93	67	80	3	0	15	0.00	0.0	0	7.7	15	300	M	M	3	19	300	
15	93	67	80	3	0	15	0.00	0.0	0	8.5	16	310	M	M	4	18	310	
16	92	63	78	1	0	13	0.00	0.0	0	8.4	14	310	M	M	5	16	310	
17	96	69	83	5	0	18	0.00	0.0	0	6.9	16	300	M	M	5	19	300	
18	100	73	87	9	0	22	0.00	0.0	0	5.9	14	310	M	M	2	17	330	
19	102	74	89	10	0	23	0.00	0.0	0	8.9	18	310	M	M	1	22	300	
20	91	69	80	2	0	15	0.00	0.0	0	9.4	18	310	M	M	1	22	310	
21	88	63	76	-3	0	11	0.00	0.0	0	9.1	21	290	M	M	1	26	310	
22	82	66	79	0	0	14	0.00	0.0	0	5.4	13	310	M	M	1	16	330	
23	90	70	84	5	0	19	0.00	0.0	0	6.6	15	310	M	M	1	19	310	
24	100	71	86	7	0	21	0.00	0.0	0	7.6	16	300	M	M	4	20	300	
25	96	68	82	2	0	17	0.00	0.0	0	10.3	22	300	M	M	3	26	310	
26	89	64	77	-3	0	12	0.00	0.0	0	12.5	22	320	M	M	2	28	320	
27	84	60	72	-8	0	7	0.00	0.0	0	12.8	20	320	M	M	0	30	310	
28	88	60	74	-6	0	9	0.00	0.0	0	8.9	23	310	M	M	1	8	26	320
29	92	62	77	-4	0	12	0.00	0.0	0	7.5	16	320	M	M	3	21	320	
30	94	64	79	-2	0	14	0.00	0.0	0	8.7	21	310	M	M	1	8	24	320
SM	2928	2013			0	477	0.00	0.0	243.0				M		88			
AV	94.3	67.1							8.1	FASTST	M	M	3		MAX(MPH)			
MISC										25	310				30	310		

NOTES:
LAST OF SEVERAL OCCURRENCES

COLUMN 17 PEAK WIND IN M.P.H.

PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6) , PAGE 2

STATION: FRESNO CA
MONTH: JUNE
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

[TEMPERATURE DATA]	[PRECIPITATION DATA]	SYMBOLS USED IN COLUMN 16
AVERAGE MONTHLY: 80.7	TOTAL FOR MONTH: 0.00	1 = FOG OR MIST
DPTN FM NORMAL: 3.5	DPTN FM NORMAL: -0.21	2 = FOG REDUCING VISIBILITY TO 1/4 MILE OR LESS
HIGHEST: 106 ON 12	GRTST 24HR 0.00 ON 30-30	3 = THUNDER
LOWEST: 56 ON 8	SNOW, ICE PELLETS, HAIL	4 = ICE PELLETS
	TOTAL MONTH: 0.0 INCH	5 = HAIL
	GRTST 24HR 0.0	6 = FREEZING RAIN OR DRIZZLE
	GRTST DEPTH: 0	7 = DUSTSTORM OR SANDSTORM: VSBY 1/2 MILE OR LESS
[NO. OF DAYS WITH]	[WEATHER - DAYS WITH]	8 = SMOKE OR HAZE
MAX 12 OR BELOW: 0	0.01 INCH OR MORE: 0	9 = BLEWING SNOW
MAX 30 OR ABOVE: 24	0.10 INCH OR MORE: 0	X = TORNADO
MIN 32 OR BELOW: 0	0.50 INCH OR MORE: 0	
MIN 0 OR BELOW: 0	1.00 INCH OR MORE: 0	

EXHIBIT 1, PAGE 3

Fresno, CA - July 2019

CXUS56 KHNX 011146
CF6FAT
PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6)

STATION: FRESNO CA
MONTH: JULY
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

TEMPERATURE IN F:		:PCPN:		SNOW:		WIND		:SUNSHINE:		SKY		:PK WND						
1	2	3	4	5	6A	6B	7	8	9	10	11	12	13	14	15	16	17	18
										12Z AVG MX 2MIN								
0Y	MAX	MIN	AVG	DEP	HDD	COB	WTR	SNW	DPTH	3PD	SPD	DIR	MIN	P5BL	8-5	WX	3PD	OR
1	94	64	79	-2	0	14	0.00	0.0	0	9.4	18	310	M	M	1		33	320
2	92	63	78	-3	0	13	0.00	0.0	0	8.9	17	290	M	M	3		31	280
3	91	61	76	-6	0	11	0.00	0.0	0	7.8	16	320	M	M	2		31	290
4	93	64	79	-3	0	14	0.00	0.0	0	7.2	14	290	M	M	0 #		18	300
5	98	68	83	1	0	18	0.00	0.0	0	8.6	13	310	M	M	1		16	310
6	100	71	86	4	0	21	0.00	0.0	0	6.5	16	290	M	M	2		19	290
7	93	69	81	-1	0	16	0.00	0.0	0	8.2	17	310	M	M	5		23	330
8	92	62	77	-5	0	12	0.00	0.0	0	9.4	18	300	M	M	1		23	300
9	92	61	77	-6	0	12	0.00	0.0	0	8.0	16	310	M	M	2		19	310
10	95	64	80	-3	0	15	0.00	0.0	0	9.2	16	310	M	M	1		21	310
11	98	69	84	1	0	19	0.00	0.0	0	9.2	17	290	M	M	1		22	280
12	100	70	85	2	0	20	0.00	0.0	0	8.0	14	300	M	M	1 #		17	320
13	105	72	89	6	0	24	0.00	0.0	0	8.2	17	310	M	M	0		22	310
14	104	73	89	6	0	24	0.00	0.0	0	9.4	18	310	M	M	1		22	300
15	100	71	86	3	0	21	0.00	0.0	0	10.5	21	300	M	M	1 #		24	300
16	97	68	83	0	0	18	0.00	0.0	0	10.3	23	310	M	M	1 #		30	310
17	97	68	83	-1	0	18	0.00	0.0	0	5.5	13	310	M	M	3 #		15	320
18	99	70	85	1	0	20	0.00	0.0	0	7.3	18	320	M	M	2		22	320
19	96	69	83	-1	0	19	0.00	0.0	0	7.3	14	310	M	M	0		17	310
20	95	67	81	-3	0	16	0.00	0.0	0	8.1	15	320	M	M	1		18	320
21	100	69	85	1	0	20	0.00	0.0	0	5.7	14	330	M	M	2		17	320
22	104	73	89	5	0	24	0.00	0.0	0	7.0	16	310	M	M	2		20	310
23	102	72	90	6	0	25	0.00	0.0	0	7.0	16	320	M	M	5		21	320
24	106	75	91	7	0	26	0.00	0.0	0	8.0	14	300	M	M	2 #		17	300
25	104	78	91	7	0	26	0.00	0.0	0	5.8	14	140	M	M	7		17	130
26	106	80	93	9	0	28	0.00	0.0	0	7.8	16	320	M	M	2		21	310
27	105	73	89	5	0	24	0.00	0.0	0	7.3	13	150	M	M	1		17	150
28	107	77	92	8	0	27	0.00	0.0	0	5.4	12	320	M	M	2		16	240
29	104	75	90	6	0	25	0.00	0.0	0	6.7	17	300	M	M	3		23	290
30	99	67	83	-1	0	18	0.00	0.0	0	8.2	15	310	M	M	1		18	320
31	100	66	83	0	0	18	0.00	0.0	0	8.9	15	300	M	M	1		16	310
SM	3068	2154			0	695	T		0.0	242.8			M		56			
AV	99.0	69.5								7.3	FASTST	M	M	2		MAX(MPH)		
										MISC	---->	#	33	310		#	30	310

NOTES:
LAST OF SEVERAL OCCURRENCES
COLUMN 17 PEAK WIND IN M.P.H.

PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6) PAGE 3

STATION: FRESNO CA
MONTH: JULY
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

(TEMPERATURE DATA)	(PRECIPITATION DATA)	SYMBOLS USED IN COLUMN 16
AVERAGE MONTHLY: 84.2	TOTAL FOR MONTH: T	1 - FOG OR MIST
DPTS FM NORMAL: 1.2	DPTR FM NORMAL: -0.01	2 - FOG REDUCING VISIBILITY TO 1/4 MILE OR LESS
HIGHEST: 107 ON 26	GRST 24HR T ON 26-26	3 - THUNDER
LOWEST: 61 ON 9, 1	SNOW, ICE PELLETS, HAIL	4 - ICE PELLETS
	TOTAL MONTH: 0.0 INCH	5 - HAIL
	GRST 24HR 0.0	6 - FREEZING RAIN OR DRIZZLE
	GRST DEPTH: 0	7 - DUSTSTORM OR SANDSTORM: VSBY 1/2 MILE OR LESS
		8 - SMOKE OR HAZE
(NO. OF DAYS WITH)	(WEATHER - DAYS WITH)	9 - BLOWING SNOW
MAX 32 OR BELOW: 0	0.01 INCH OR MORE: 0	X - TORNADO
MAX 90 OR ABOVE: 31	0.10 INCH OR MORE: 0	
MIN 32 OR BELOW: 0	0.50 INCH OR MORE: 0	

EXHIBIT 1, PAGE 4

Fresno, CA - August 2019

CXUS56 KHNX 011146
CF6FAT
PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-61)

STATION: FRESNO CA
MONTH: AUGUST
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

TEMPERATURE IN F:		:PCPN:		SNOW:		WIND:		:SUNSHINE:		SKY:		:PK WND:						
1	2	3	4	5	6A	6B	7	8	9	10	11	12	13	14	15	16	17	18
132 AVG MX 2MIN																		
DT	MAX	MIN	AVG	DEP	HDD	CDD	WTR	SNW	DPTH	SPD	SPD	DIR	MIN	PSBL	S-S	WX	SPD	DR
1	100	69	85	2	0	30	0.00	0.0	0	8.0	17	310	M	M	0		31	310
2	99	66	82	-1	0	17	0.00	0.0	0	7.8	15	320	M	M	1		19	310
3	102	71	87	4	0	22	0.00	0.0	0	4.9	13	140	M	M	5		16	130
4	105	73	89	6	0	24	0.00	0.0	0	6.9	16	320	M	M	2		21	320
5	100	73	87	4	0	22	0.00	0.0	0	7.8	16	310	M	M	5		19	310
6	104	72	88	5	0	23	0.00	0.0	0	6.9	15	310	M	M	4		18	310
7	101	73	87	4	0	22	0.00	0.0	0	9.0	21	320	M	M	3		25	320
8	95	68	82	-1	0	17	0.00	0.0	0	9.0	21	310	M	M	2	4	25	330
9	92	63	78	-5	0	13	0.00	0.0	0	9.4	16	310	M	M	2		20	320
10	91	66	79	-3	0	14	0.00	0.0	0	10.1	21	330	M	M	2		29	320
11	91	64	78	-4	0	13	0.00	0.0	0	10.1	18	310	M	M	0		23	320
12	96	68	82	0	0	17	0.00	0.0	0	5.7	14	310	M	M	0	4	17	290
13	101	70	86	4	0	21	0.00	0.0	0	6.1	13	310	M	M	0		15	310
14	105	73	89	7	0	24	0.00	0.0	0	5.5	12	300	M	M	2		15	290
15	107	74	91	9	0	26	0.00	0.0	0	6.3	13	290	M	M	0		19	280
16	108	75	92	10	0	27	0.00	0.0	0	5.6	16	310	M	M	0		18	310
17	101	71	86	4	0	21	0.00	0.0	0	8.3	18	320	M	M	1		21	320
18	95	68	81	-1	0	16	0.00	0.0	0	7.3	16	310	M	M	0		19	310
19	95	64	80	-1	0	15	0.00	0.0	0	7.7	15	310	M	M	2		18	320
20	94	64	79	-2	0	14	0.00	0.0	0	10.1	17	310	M	M	2		21	310
21	96	66	81	0	0	16	0.00	0.0	0	8.0	16	290	M	M	2		19	290
22	97	71	84	3	0	19	0.00	0.0	0	6.1	12	290	M	M	5		16	300
23	101	74	88	7	0	23	0.00	0.0	0	6.0	14	310	M	M	3		19	310
24	101	74	88	7	0	23	0.00	0.0	0	7.5	17	310	M	M	2		20	310
25	103	74	89	9	0	24	0.00	0.0	0	7.7	15	320	M	M	1		19	320
26	102	75	89	9	0	24	0.00	0.0	0	6.6	13	320	M	M	1		17	320
27	105	76	91	11	0	26	0.00	0.0	0	7.5	14	320	M	M	2		19	10
28	104	74	89	9	0	24	0.00	0.0	0	7.8	17	310	M	M	1		23	340
29	97	70	84	4	0	19	0.00	0.0	0	9.7	18	320	M	M	0		23	310
30	96	66	81	1	0	16	0.00	0.0	0	7.5	16	320	M	M	0		19	330
31	100	70	85	5	0	20	0.00	0.0	0	5.6	13	300	M	M	1		20	310

SH	3083	2173			0	622	0.00	0.0	0.0	232.5			M		53			

AV	99.5	70.1								7.5	FASTST	M	M				MAX(MPH)	

MISC ---X # 21 320 # 29 320																		

NOTES:
LAST OF SEVERAL OCCURRENCES

COLUMN 17 PEAK WIND IN M.P.H.

PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-61) PAGE 2

STATION: FRESNO CA
MONTH: AUGUST
YEAR: 2019
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

[TEMPERATURE DATA]	[PRECIPITATION DATA]	SYMBOLS USED IN COLUMN 16
AVERAGE MONTHLY: 84.8	TOTAL FOR MONTH: 0.00	1 = FOG OR MIST
DPTR FM NORMAL: 3.1	DPTR FM NORMAL: -0.01	2 = FOG REDUCING VISIBILITY TO 1/4 MILE OR LESS
HIGHEST: 108 ON 16	GRTST 24HR 0.00 ON 31-31	3 = THUNDER
LOWEST: 63 ON 9	SNOW, ICE PELLETS, HAIL	4 = ICE PELLETS
	TOTAL MONTH: 0.0 INCH	5 = HAIL
	GRTST 24HR 0.0	6 = FREEZING RAIN OR DRIZZLE
	GRTST DEPTH: 0	7 = DUSTSTORM OR SANDSTORM: VSBY 1/2 MILE OR LESS
[NO. OF DAYS WITH]	[WEATHER - DAYS WITH]	8 = SMOKE OR HAZE
MAX 31 OR BELOW: 0	0.01 INCH OR MORE: 0	9 = BLOWING SNOW
MAX 30 OR ABOVE: 31	0.10 INCH OR MORE: 0	X = TORNADO
MIN 30 OR BELOW: 0	0.50 INCH OR MORE: 0	

EXHIBIT 1, PAGE 5

Fresno, CA - September 2019

CXUS56 KHNX 011146
 CF6FAT
 PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6)

STATION: FRESNO CA
 MONTH: SEPTEMBER
 YEAR: 2019
 LATITUDE: 36 46 N
 LONGITUDE: 119 43 W

TEMPERATURE IN F°					PRECIP:	SNOW:	WIND:	SUNSHINE: SKY			PK WND								
1	2	3	4	5	6A	6B	7	8	9	10	11	12	13	14	15	16	17	18	
																	12Z AVG MX 2MIN		
BY	MAX	MIN	AVG	DEP	HDD	CDD	WTR	SNW	DPTH	SPD	SPD	DIR	MIN	PSBL	3-5	MX	SPD	DIR	
1	102	71	87	8	0	22	0.00	0.0	0	4.6	13	280	M	M	1		16	290	
2	104	74	89	10	0	24	0.00	0.0	0	7.5	17	300	M	M	4		21	300	
3	100	73	87	8	0	22	0.00	0.0	0	8.0	15	300	M	M	2	4	22	330	
4	102	74	88	9	0	23	0.00	0.0	0	5.2	12	310	M	M	3		14	320	
5	101	77	89	10	0	24	0.00	0.0	0	7.3	20	300	M	M	5		32	310	
6	100	72	86	8	0	21	0.00	0.0	0	7.6	15	310	M	M	4	9	20	310	
7	93	64	79	1	0	14	0.00	0.0	0	10.7	26	310	M	M	3	78	33	320	
8	84	60	72	-6	0	7	0.00	0.0	0	5.7	14	330	M	M	0	4	17	300	
9	87	62	75	-3	0	10	0.00	0.0	0	8.6	18	300	M	M	1		23	330	
10	83	61	72	-6	0	7	0.00	0.0	0	9.7	17	320	M	M	1	8	22	310	
11	87	59	73	-5	0	8	0.00	0.0	0	4.6	14	320	M	M	0		18	310	
12	96	63	80	3	0	15	0.00	0.0	0	5.8	13	330	M	M	0		15	310	
13	99	65	82	5	0	17	0.00	0.0	0	4.7	13	150	M	M	4		16	120	
14	103	68	86	9	0	21	0.00	0.0	0	4.0	10	160	M	M	4	8	12	160	
15	96	68	82	5	0	17	0.00	0.0	0	6.6	22	310	M	M	5		27	300	
16	83	62	73	-3	0	8	0.00	0.0	0	11.2	25	310	M	M	6	8	32	340	
17	83	58	71	-5	0	6	0.00	0.0	0	6.5	12	300	M	M	2			M	
18	85	58	72	-4	0	7	0.00	0.0	0	7.9	24	310	M	M	2	8	28	320	
19	80	60	70	-6	0	5	0.00	0.0	0	10.7	22	310	M	M	3		26	310	
20	84	56	70	-5	0	5	0.00	0.0	0	4.1	12	310	M	M	0		16	280	
21	88	61	75	0	0	10	0.00	0.0	0	3.2	12	320	M	M	0		13	340	
22	83	61	77	1	0	12	0.00	0.0	0	3.7	9	300	M	M	2		12	290	
23	89	64	77	3	0	12	0.00	0.0	0	8.0	15	310	M	M	2		24	320	
24	93	64	79	5	0	14	0.00	0.0	0	3.4	13	140	M	M	0	8	16	120	
25	98	68	83	9	0	18	0.00	0.0	0	3.9	9	140	M	M	3	8	12	130	
26	96	68	82	8	0	17	0.00	0.0	0	7.3	16	320	M	M	2	9	21	320	
27	85	65	75	2	0	10	0.00	0.0	0	8.3	16	320	M	M	2		21	320	
28	77	58	68	-5	0	3	0.00	0.0	0	10.8	24	300	M	M	5		31	300	
29	73	52	63	-8	2	0	0.00	0.0	0	7.1	17	320	M	M	1		22	310	
30	72	50	61	-11	4	0	0.00	0.0	0	10.0	17	300	M	M	1		22	310	
SM					2716	1916		6	379	0.00	0.0	206.9		M		69			
AV					90.5	63.9						6.9	FASTST	M	M	2		MAX(MPH)	
												MISC	---->					# 33	320

NOTES:
 # LAST OF SEVERAL OCCURRENCES

COLUMN 17 PEAK WIND IN M.P.H.

PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6) , PAGE 2

STATION: FRESNO CA
 MONTH: SEPTEMBER
 YEAR: 2019
 LATITUDE: 36 46 N
 LONGITUDE: 119 43 W

[TEMPERATURE DATA]	[PRECIPITATION DATA]	SYMBOLS USED IN COLUMN 16
AVERAGE MONTHLY: 77.2	TOTAL FOR MONTH: 0.00	1 = FOG OR MIST
DPTR FM NORMAL: 1.0	DPTR FM NORMAL: -0.17	2 = FOG REDUCING VISIBILITY TO 1/4 MILE OR LESS
HIGHEST: 104 ON 2	SRTST 24HR 0.00 ON 30-30	3 = THUNDER
LOWEST: 50 ON 30	SNOW, ICE PELLETS, HAIL	4 = ICE PELLETS
	TOTAL MONTH: 0.0 INCH	5 = HAIL
	SRTST 24HR 0.0	6 = FREEZING RAIN OR DRIZZLE
	SRTST DEPTH: 0	7 = DUSTSTORM OR SANDSTORM: VSBY 1/2 MILE OR LESS
[NO. OF DAYS WITH]	[WEATHER - DAYS WITH]	8 = SMOKE OR HAZE
MAX 31 OR BELOW: 0	0.01 INCH OR MORE: 7	9 = BLOWING SNOW
MAX 70 OR ABOVE: 15	0.10 INCH OR MORE: 7	X = TORNAADO
MIN 32 OR BELOW: 0	0.50 INCH OR MORE: 0	
MIN 0 OR BELOW: 0	1.00 INCH OR MORE: 0	

EXHIBIT 1, PAGE 6

Fresno, CA - October 2018

CXUS56 KHNX 011146
CF6FAT
PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6)

STATION: FRESNO CA
MONTH: OCTOBER
YEAR: 2018
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

TEMPERATURE IN F:		PCPN:		SNOW:		WIND		SUNSHINE:		SKY		PK WND						
1	2	3	4	5	6A	6P	7	8	9	10	11	12	13	14	15	16	17	18
BY	MAX	MIN	AVG	DEP	HDD	CDD	WTR	SNW	DPTH	SPD	SPD	DIR	MIN	PSBL	S-S	WX	SPD	DR
1	90	61	76	4	0	11	0.00	0.0	0	3.3	9	250	M	M	2		12	260
2	88	65	77	5	0	12	0.01	0.0	0	4.8	12	220	M	M	7		18	320
3	76	66	71	0	0	6	0.06	0.0	0	6.5	16	260	M	M	9	39	19	260
4	78	63	71	0	0	6	0.03	0.0	0	7.8	18	300	M	M	6	1	23	350
5	79	58	69	-1	0	4	0.00	0.0	0	8.6	13	330	M	M	3		16	310
6	60	60	70	0	0	5	0.00	0.0	0	10.0	24	310	M	M	1	8	29	310
7	78	55	67	-3	0	2	0.00	0.0	0	3.1	9	300	M	M	2	4	12	310
8	80	56	68	-1	0	3	0.00	0.0	0	4.7	10	230	M	M	1	8	14	240
9	83	57	70	1	0	5	0.00	0.0	0	3.5	9	330	M	M	1	8	12	310
10	78	57	68	-1	0	3	0.00	0.0	0	5.0	10	280	M	M	3	8	14	120
11	74	56	65	-3	0	0	0.00	0.0	0	5.4	10	330	M	M	2		14	250
12	80	56	68	0	0	3	0.00	0.0	0	2.7	8	310	M	M	2		11	260
13	85	57	71	3	0	6	0.00	0.0	0	4.5	12	130	M	M	1	8	14	140
14	92	55	69	2	0	4	0.05	0.0	0	3.8	12	310	M	M	1		15	300
15	80	55	68	1	0	3	0.00	0.0	0	3.5	10	130	M	M	0	4	13	330
16	81	52	67	1	0	2	0.00	0.0	0	3.0	12	130	M	M	0	4	13	130
17	84	52	68	2	0	3	0.00	0.0	0	2.2	8	160	M	M	0	8	12	240
18	84	52	68	2	0	3	0.00	0.0	0	2.6	9	310	M	M	0		11	320
19	83	54	69	4	0	4	0.00	0.0	0	1.9	7	300	M	M	2	8	9	300
20	85	55	70	5	0	5	0.00	0.0	0	2.7	8	150	M	M	2		11	190
21	85	53	69	3	0	4	0.00	0.0	0	2.5	9	140	M	M	1		12	150
22	83	54	69	5	0	4	0.00	0.0	0	4.5	13	130	M	M	1	8	16	130
23	81	51	66	2	0	1	0.00	0.0	0	4.7	14	300	M	M	3	8	17	300
24	78	51	65	3	0	0	0.00	0.0	0	3.5	12	130	M	M	2	18	13	130
25	80	51	66	3	0	1	0.00	0.0	0	2.4	9	120	M	M	1	8	11	120
26	83	55	69	7	0	4	0.00	0.0	0	2.7	8	320	M	M	4		11	320
27	84	54	69	7	0	4	0.00	0.0	0	2.4	8	320	M	M	5	8	11	350
28	82	55	69	7	0	4	0.00	0.0	0	6.3	17	300	M	M	4	8	21	310
29	72	54	63	2	2	0	0.00	0.0	0	10.4	17	310	M	M	4	8	22	320
30	72	50	61	0	4	0	0.00	0.0	0	3.5	8	340	M	M	1	8	11	320
31	73	50	63	3	3	0	0.00	0.0	0	3.4	9	160	M	M	3	8	12	160

SN 2501 1700 3 112 0.10 0.0 133.9 M 74
AV 80.7 55.5 4.3 EASTST M M 2 MAX(MPH)
MISC ---> # 24 310 # 39 310

NOTES:
LAST OF SEVERAL OCCURRENCES
COLUMN 17 PEAK WIND IN M.P.H.

PRELIMINARY LOCAL CLIMATOLOGICAL DATA (WS FORM: F-6) , PAGE 2

STATION: FRESNO CA
MONTH: OCTOBER
YEAR: 2018
LATITUDE: 36 46 N
LONGITUDE: 119 43 W

[TEMPERATURE DATA]	[PRECIPITATION DATA]	SYMBOLS USED IN COLUMN 16
AVERAGE MONTHLY: 68.1	TOTAL FOR MONTH: 0.10	1 = FOG OR MIST
DPTR FN NORMAL: 1.9	DPTR FN NORMAL: -0.53	2 = FOG REDUCING VISIBILITY TO 1/4 MILE OR LESS
HIGHEST: 90 ON 1	GRST 24HR 0.06 ON 3- 3	3 = THUNDER
LOWEST: 50 ON 31, 30	SNOW, ICE PELLETS, HAIL	4 = ICE PELLETS
	TOTAL MONTH: 0.0 INCH	5 = HAIL
	GRST 24HR 0.0	6 = FREEZING RAIN OR DRIZZLE
	GRST DEPTH: 0	7 = DUSTSTORM OR SANDSTORM: VSBY 1/2 MILE OR LESS
[NO. OF DAYS WITH]	[WEATHER - DAYS WITH]	8 = SMOKE OR HAZE
MAX 32 OR BELOW: 0	0.01 INCH OR MORE: 3	9 = BLOWING SNOW
MAX 40 OR ABOVE: 1	0.10 INCH OR MORE: 0	X = TORNADO
MIN 32 OR BELOW: 0	0.50 INCH OR MORE: 0	

NORMALS, MEANS, AND EXTREMES
FRESNO (KFAT)

LATITUDE: 36° 46'N LONGITUDE: 119° 43'W ELEVATION (FT): GRND: 333 BARO: 375 TIME ZONE: PACIFIC (UTC-8) WBAN: 93193

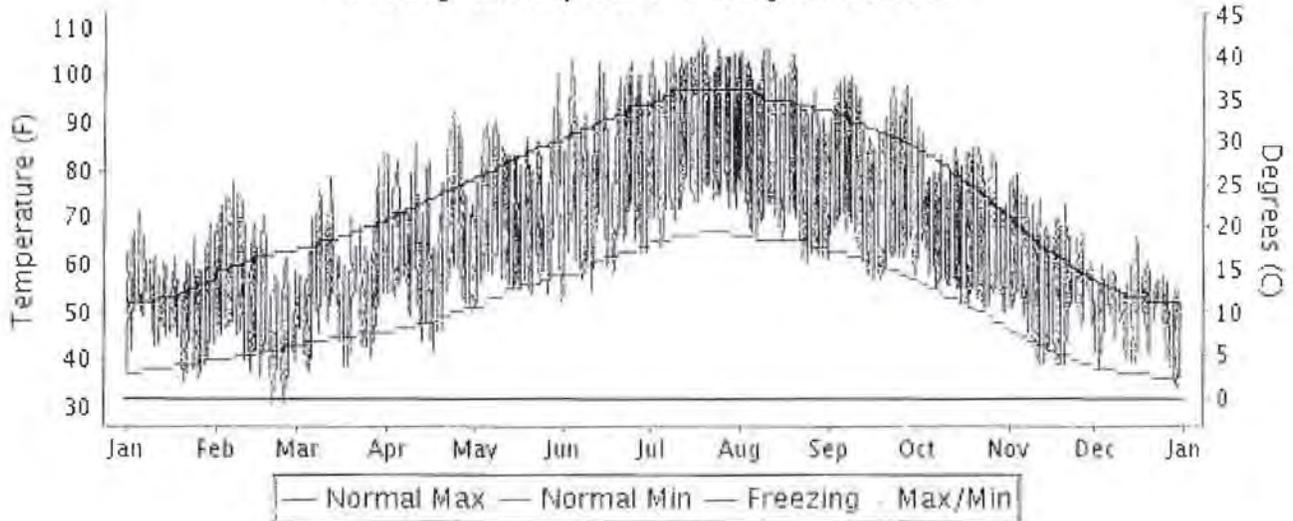
ELEMENT		POR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
TEMPERATURE °F	NORMAL DAILY MAXIMUM	30	54.8	61.6	67.6	74.6	84.1	92.0	98.4	97.1	90.9	79.5	65.1	54.9	76.7
	MEAN DAILY MAXIMUM	69	55.0	61.8	67.5	74.6	83.6	91.9	98.5	96.6	90.9	79.8	65.5	55.1	76.7
	HIGHEST DAILY MAXIMUM	69	78	80	91	100	107	110	113	112	111	102	90	77	113
	YEAR OF OCCURRENCE		2014	2014	2015	1981	1984	2017	2006	1996	1955	1980	2010	2006	JUL 2006
	MEAN OF EXTREME MAXS.	69	67.7	73.4	80.6	90.1	98.8	105.1	107.2	105.7	102.3	93.5	79.8	67.2	89.3
	NORMAL DAILY MINIMUM	10	38.3	41.5	45.6	49.4	56.2	62.4	67.6	66.2	61.5	53.0	43.4	38.0	51.9
	MEAN DAILY MINIMUM	69	38.0	41.0	44.2	48.3	54.7	60.9	66.3	64.5	60.1	51.6	42.9	37.5	50.8
	LOWEST DAILY MINIMUM	69	19	24	26	32	36	44	50	49	37	27	26	18	18
	YEAR OF OCCURRENCE		1963	1990	1966	1982	1975	1955	1955	1966	1950	1972	1975	1990	DEC 1990
	MEAN OF EXTREME MINS.	69	28.3	31.7	34.8	39.0	45.0	51.4	57.6	57.0	51.3	41.8	33.0	28.2	41.6
	NORMAL DRY BULB	30	46.6	51.5	56.6	62.0	70.1	77.2	83.0	81.7	76.2	66.2	54.3	46.5	64.3
	MEAN DRY BULB	69	46.5	51.4	55.9	61.5	69.2	76.5	82.4	80.6	75.5	65.8	54.2	46.3	63.8
	MEAN WET BULB	35	42.5	45.5	48.1	49.3	52.4	56.3	60.2	59.6	57.0	52.3	46.9	41.5	51.0
	MEAN DEW POINT	35	42.5	44.6	47.3	47.5	50.3	54.3	58.2	57.6	55.3	50.9	45.5	41.1	49.6
	NORMAL NO. DAYS WITH: MAXIMUM >= 90	30	0.0	0.0	0.0	1.8	8.7	18.5	28.7	27.1	18.1	3.3	0.0	0.0	106.2
	MAXIMUM <= 32	30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MINIMUM <= 32	30	5.6	1.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	5.1	13.2	
MINIMUM <= 0	30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
H/C	NORMAL HEATING DEG. DAYS	30	572	377	265	136	30	3	0	0	2	61	325	575	2346
	NORMAL COOLING DEG. DAYS	30	0	0	5	46	190	369	558	516	338	100	2	0	2124
RH	NORMAL (PERCENT)		84	77	70	57	48	43	40	44	49	58	74	83	61
	HOUR 04 LST	30	92	90	87	80	71	65	62	66	71	78	88	92	79
	HOUR 10 LST	30	85	77	66	51	44	39	38	41	45	52	71	83	58
	HOUR 16 LST	30	69	57	49	35	28	24	22	25	28	35	53	67	41
	HOUR 22 LST	30	89	83	76	62	51	44	42	46	51	63	81	88	65
S	PERCENT POSSIBLE SUNSHINE	46	47	65	77	85	90	95	97	96	94	88	66	46	79
W/O	MEAN NO. DAYS WITH: HEAVY FOG (VISBY <= 1/4 MI)	55	10.2	4.5	1.3	0.2	0.0	0.0	0.0	0.0	0.0	0.5	4.5	9.7	30.9
	THUNDERSTORMS	69	0.2	0.4	0.8	0.6	0.6	0.4	0.2	0.2	0.6	0.5	0.2	0.3	5.0
CLOUDINESS	MEAN: SUNRISE-SUNSET (OKTAS)														
	MIDNIGHT-MIDNIGHT (OKTAS)														
	MEAN NO. DAYS WITH: CLEAR														
	PARTLY CLOUDY CLOUDY														
PR	MEAN STATION PRESSURE (IN)	35	29.80	29.74	29.70	29.65	29.58	29.52	29.53	29.53	29.53	29.63	29.75	29.77	29.64
	MEAN SEA-LEVEL PRES. (IN)	35	30.16	30.09	30.05	30.00	29.92	29.87	29.87	29.87	29.88	29.98	30.10	30.15	30.00
WINDS	MEAN SPEED (MPH)	35	4.1	5.0	5.9	7.4	8.3	8.3	7.4	6.9	6.0	4.7	3.9	4.0	6.0
	PREVAIL. DIR (TENS OF DEGS)	43	12	32	32	32	31	31	31	31	31	31	31	12	31
	MAXIMUM 2-MINUTE: SPEED (MPH)	21	38	36	36	36	32	33	24	36	31	35	31	35	38
	DIR. (TENS OF DEGS)		16	13	29	29	32	30	30	31	29	28	27	28	16
	YEAR OF OCCURRENCE		2005	1998	2017	1999	1998	2012	2015	2014	2013	2007	2016	2008	JAN 2005
	MAXIMUM 3-SECOND: SPEED (MPH)	21	46	43	42	41	39	40	33	41	36	45	39	45	46
	DIR. (TENS OF DEGS)		16	29	29	32	32	31	07	31	29	33	27	01	16
	YEAR OF OCCURRENCE		2005	1999	2017	2002	2008	2012	2007	2013	2013	2009	2016	2011	JAN 2005
PRECIPITATION	NORMAL (IN)	30	2.19	2.03	2.03	0.95	0.43	0.21	0.01	0.01	0.17	0.63	1.07	1.77	11.50
	MAXIMUM MONTHLY (IN)	69	8.56	6.12	7.24	4.41	1.65	1.93	0.43	0.25	1.19	2.45	3.50	6.73	8.56
	YEAR OF OCCURRENCE		1969	2000	1991	1967	1990	1998	2015	1964	1976	2000	1972	1955	JAN 1969
	MINIMUM MONTHLY (IN)	69	0.04	T	0.00	T	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	YEAR OF OCCURRENCE		1976	1964	1972	2008	1982	1983	1983	1981	1981	1978	1959	1989	DEC 1989
	MAXIMUM IN 24 HOURS (IN)	69	2.74	1.99	2.43	2.04	1.42	1.80	0.36	0.25	0.97	1.76	1.35	1.82	2.74
	YEAR OF OCCURRENCE		2006	1969	1995	2017	1990	1998	2015	1964	1978	1992	1953	2007	JAN 2006
	NORMAL NO. DAYS WITH: PRECIPITATION >= 0.01	30	7.6	8.6	7.5	4.5	2.2	0.7	0.2	0.3	1.0	2.5	5.5	7.5	48.1
PRECIPITATION >= 1.00	30	0.2	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2	1.3	
SNOWFALL	NORMAL (IN)	30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	MAXIMUM MONTHLY (IN)	59	2.2	T	T	T	0.0	T	T	T	T	T	0.0	1.2	2.2
	YEAR OF OCCURRENCE		1962	1994	2011	2017	2018	2013	2013	2017	2011	1974		1968	JAN 1962
	MAXIMUM IN 24 HOURS (IN)	59	1.5	T	T	T	T	T	0.0	0.0	0.0	0.0	0.0	1.2	1.5
	YEAR OF OCCURRENCE		1962	1994	2011	2017	2015	1995				1974		1968	JAN 1962
	MAXIMUM SNOW DEPTH (IN)	58	0	0	0	0	0	0	0	0	0	0	0	1	1
	YEAR OF OCCURRENCE													1968	DEC 1968
NORMAL NO. DAYS WITH: SNOWFALL >= 1.0	30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	



2018 LOCAL CLIMATOLOGICAL DATA ANNUAL SUMMARY WITH COMPARATIVE DATA

ISSN 0198-0890

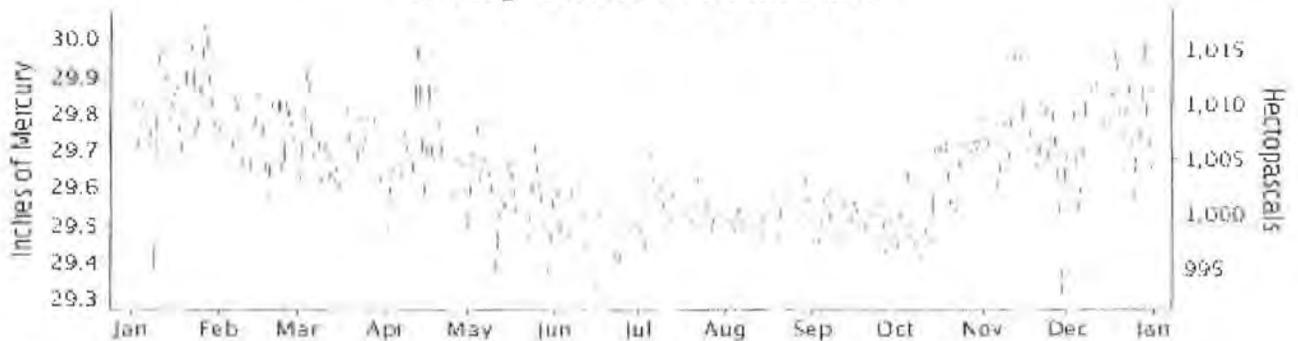
FRESNO, CALIFORNIA (KFAT) Daily Max/Min Temperature



Daily Precipitation



Daily Station Pressure



I CERTIFY THAT THIS IS AN OFFICIAL PUBLICATION OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, AND IS COMPILED FROM RECORDS ON FILE AT THE NATIONAL CLIMATIC DATA CENTER.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

NATIONAL ENVIRONMENTAL SATELLITE, DATA AND INFORMATION SERVICE

NATIONAL CENTERS for ENVIRONMENTAL INFORMATION (NCEI) ASHEVILLE, NORTH CAROLINA

Mary S. Wohlgenant DIRECTOR NCEI

HEAT STRESS INDEX

TEMPERATURE °F	RELATIVE HUMIDITY								
	10%	20%	30%	40%	50%	60%	70%	80%	90%
104	98	104	110	120	132				
102	97	101	108	117	125				
100	95	99	105	110	120	132			
98	93	97	101	106	110	125			
96	91	95	98	104	108	120	128		
94	89	93	95	100	105	111	122		
92	87	90	92	96	100	106	115	122	
90	85	88	90	92	96	100	106	114	122
88	82	86	87	89	93	95	100	106	115
86	80	84	85	87	90	92	96	100	109
84	78	81	83	85	86	89	91	95	99
82	77	79	80	81	84	86	89	91	95
80	75	77	78	79	81	83	85	86	89
78	72	75	77	78	79	80	81	83	85
76	70	72	75	76	77	77	77	78	79
74	68	70	73	74	75	75	75	76	77

NOTE Add 10°F when protective clothing is worn and add 10°F when in direct sunlight.

HUMITURE °F	DANGER CATEGORY	INJURY THREAT
BELOW 60°	NONE	LITTLE OR NO DANGER UNDER NORMAL CIRCUMSTANCES
80° - 90°	CAUTION	FATIGUE POSSIBLE IF EXPOSURE IS PROLONGED AND THERE IS PHYSICAL ACTIVITY
90° - 105°	EXTREME CAUTION	HEAT CRAMPS AND HEAT EXHAUSTION POSSIBLE IF EXPOSURE IS PROLONGED AND THERE IS PHYSICAL ACTIVITY
105° - 130°	DANGER	HEAT CRAMPS OR EXHAUSTION LIKELY, HEAT STROKE POSSIBLE IF EXPOSURE IS PROLONGED AND THERE IS PHYSICAL ACTIVITY
ABOVE 130°	EXTREME DANGER	HEAT STROKE IMMINENT!

Table I-1



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 17

DATE: November 12, 2019

TITLE: ADOPT RESOLUTION NO. 2019-101 OF THE SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE REEDLEY REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE TRUST AND AN ESCROW AGREEMENT, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

SUBMITTED: Paul A. Melikian, Assistant City Manager 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

That the City Council of the Successor Agency to the Reedley Redevelopment Agency adopt Resolution 2019-101 SA approving the issuance by the Successor Agency of refunding bonds in order to refund certain outstanding bonds of the Successor Agency, making certain determinations with respect to the refunding bonds and providing for other matters relating thereto.

EXECUTIVE SUMMARY

Staff is seeking approval from the City Council to issue 2020 Taxable Tax Allocation Refunding Bonds (the "2020 Refunding Bonds") to refund for significant savings the 2011 Bonds of the former Reedley Redevelopment Agency. There is currently \$7,335,000 of 2011 Bonds outstanding, with principal amounts maturing from November 1, 2020 through and including November 1, 2041. The interest rates range from 6.00% to 7.25%. Total savings are currently estimated at \$7.24 million, or \$300,000 per year from 2021 to 2036, with net present value savings estimated at \$1.753 million, or 23.90% of the 2011 Bonds outstanding.

The estimated \$300,000 savings in average annual debt service payments from the refunding would benefit all affected taxing entities such as the K-12 Schools; the Community College District; the County Office of Education; the County; the County Library District; the Consolidated Mosquito Abatement District; and the City. The City's 'share' of the savings is 15.50%, therefore the savings to the City is expected to be approximately \$46,500 annually. This savings will be realized by the City in the form of higher property tax revenue to the City because less of the property tax increment from the former Redevelopment Area is being utilized for the debt service payments on the bonds.

BACKGROUND

The Reedley Redevelopment Agency issued \$8,275,000 of Tax Allocation Bonds in 2011. The 2011 Bonds were issued to: (i) refinance the Agency's Reedley Redevelopment Project 1998 Tax Allocation Bonds, Series A (Tax-Exempt); (ii) finance additional redevelopment activities with respect to the

Agency's Redevelopment Project Area (the "Project Area"); (iii) fund a portion of a debt service reserve fund for the Bonds; and (iv) pay the costs of issuing the Bonds.

Based on current interest rates, savings meeting Department of Finance refunding requirements may be realized if the 2011 Bonds are refinanced, benefiting the various taxing entities. For that reason, staff is recommending that the City Council authorize the issuance and sale of the 2020 Refunding Bonds and direct staff to forward the Successor Agency's resolution approving the issuance of the 2020 Refunding Bonds, per the Savings Analysis (prepared by the Municipal Advisor) and draft bond documents (prepared by Bond Counsel) to the California Department of Finance ("DOF") for review and approval. DOF has five days from receipt to acknowledge they will review the various documents and another sixty days to approve the refunding. Oversight Board approval of the refinancing is also required, and the Oversight Board is scheduled to approve the refinancing at its meeting on November 7, 2019.

Based on current interest rates, with a level savings structure which provides similar savings in every year, it is anticipated that the 2020 Bonds will generate:

Estimated Refunding Results ⁽¹⁾

2011 Bonds Amount Outstanding	\$7,335,000
2020 Bonds Estimated Refunding Amount	4,795,000
Total Savings ⁽²⁾	7,236,599
Average Annual Savings ⁽³⁾	300,133 (2021 to 2036)
Net Present Value Savings	1,753,096
Net Present Value Savings Percentage ⁽⁴⁾	23.90%
2011 Bonds Final Maturity	November 1, 2041
2020 Bonds Final Maturity	November 1, 2036

Notes

- (1) Assumes market interest rates as of October 22, 2019, a public offering with bond insurance and a reserve surety policy for the reserve fund
- (2) Net of prior reserve fund and interest earnings thereon
- (3) FY 2021 to FY 2036
- (4) As a percentage of the 2011 Bonds outstanding

Since the 2011 Bonds were issued during the period between the announcement of dissolution of redevelopment and enactment of actual dissolution, the proceeds of the 2011 Bonds were frozen by DOF. The Successor Agency received approval of the "Last and Final" ROPS in 2017 and has therefore been able to spend 45% of the 2011 proceeds on projects. The remaining portion of unspent proceeds, 55%, must be used to retire bonds or may be used as a source of funds to a refunding. In this case, there is approximately \$2.9 million of unspent 2011 proceeds which are being contributed to reduce the amount of 2020 Refunding Bonds being issued. This has the impact of increasing cash flow savings and has been taken into account in the calculation of all net present value savings estimates. The "Last and Final" ROPS approved the remaining life of the Successor Agency to 2036. For that reason, the planned refunding anticipates a final maturity of the 2020 Refunding Bonds on November 1, 2036 or five years before the 2011 Bonds final maturity date of November 1, 2041.

The Successor Agency expects to meet all of the requirements of Health and Safety Code Section 34177.5 pertaining to issuing refunding bonds.

Bond Refunding Team

To facilitate the issuance of the 2020 Refunding Bonds, the Successor Agency has engaged the services of: Del Rio Advisors, LLC, as Municipal Advisor, Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel, Brandis Tallman LLC as Underwriter / Placement Agent, The Bank of New York Mellon Trust Company, N.A. as Trustee and Escrow Agent, and Fraser & Associates as Fiscal Consultant.

Tentative Schedule of Bond Refunding

If the City Council approves this recommended action, the estimated timeline and steps to issue the 2020 Refunding Bonds are as follows:

- November 7, 2019 Oversight Board Review and Approval to Proceed
- November 12, 2019 Successor Agency Review and Approval to Proceed
- Nov. / Dec. 2019 Begin Fiscal Consultant's Report
POS Preparation
Credit Package Sent to Rating Agency and Bond Insurers
- December 10, 2019 Successor Agency Approve POS and BPA
- Jan. / Feb. 2020 DOF Approval
Print and Post Preliminary Official Statement
Sell Bonds
Print and Post Final Official Statement
Execute Documents
Close the Transaction

FISCAL IMPACT:

The financing team will work on a contingent basis and all fees are payable only from a successful sale of 2020 Refunding Bonds with the exception of the fees and expenses of the Fraser & Associates as Fiscal Consultant and the fees and expenses of the bond rating agency Standard & Poor's. Due to preparing projections and other pertinent information in the Fiscal Consultant's Report, the fees and expenses of Fraser & Associates cannot be contingent on the sale of refunding bonds. Also, the rating fee would be required to pay for a rating from Standard & Poor's for the Successor Agency. The rating fee would not be incurred until later in the process when the team is reasonably confident that the transaction will move forward. However, should the 2020 Refunding Bonds not close, the City can submit an amendment to the "Last and Final" ROPS to recover these costs through the Successor Agency Redevelopment Property Tax Trust Fund process.

The fixed costs of issuance for the 2020 Refunding Bonds is currently estimated at \$219,000, which includes a one-time reimbursement to the City for all staff time and administrative costs incurred for this project. The fee paid to the underwriter is expected to be approximately 0.75% of the 2020 Refunding Bonds to be issued or currently estimated at approximately \$36,000. The savings calculations throughout this report are net of all fees and expenses of the transaction.

ATTACHMENTS

Resolution No. 2019-101 SA
Plan of Refunding and Savings Analysis
Form of Indenture of Trust for 2020 Refunding Bonds
Form of Escrow Agreement

RESOLUTION NO. 2019-101 SA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE REEDLEY REDEVELOPMENT AGENCY, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND AN ESCROW AGREEMENT, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Reedley Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter are to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Reedley Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Section 34179, the Countywide Oversight Board for the County of Fresno (the "Oversight Board") has been established;

WHEREAS, prior to dissolution of the Former Agency, in order to finance and refinance redevelopment activities within or of benefit to the Reedley Redevelopment Project, the Former Agency issued its (i) \$8,275,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Tax Allocation Bonds, Series A (the "2011A Bonds" or the "Prior Bonds"), and its (ii) \$550,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Taxable Tax Allocation Bonds, Series B (the "2011B Bonds");

WHEREAS, the 2011B Bonds have all matured, leaving only the 2011A Bonds remaining outstanding;

WHEREAS, pursuant to Section 34191.6(b), the Successor Agency submitted a Last and Final Recognized Obligation Payment Schedule ("Last and Final ROPS") to the Oversight Board and the Department of Finance, which Last and Final ROPS was approved by the Department of Finance by letter dated October 6, 2017;

WHEREAS, Section 34191.6(e) authorizes the Successor Agency, because it has a Last and Final ROPS, to amend or modify existing contracts, agreements, or other arrangements identified on the Last and Final ROPS, provided the outstanding payments owing from the Successor Agency are not accelerated or increased in any way and any amendment to extend terms shall not include an extension beyond the last scheduled payment for the enforceable obligations listed and approved on the Last and Final ROPS (the "Last and Final ROPS Parameters");

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service

savings within the parameters set forth in Section 34177.5(a)(1), which are that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded; and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of refunding bonds issued to refund the Prior Bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, by resolution adopted on November 7, 2019, the Oversight Board has approved the Successor Agency to undertake the refunding proceedings related to the Prior Bonds, and approved the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency desires at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of an Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the Refunding Bonds (the "Indenture"), and an Escrow Agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as prior trustee and escrow agent for the Prior Bonds (the "Escrow Agreement");

WHEREAS, the information required to be obtained and disclosed with respect to the Refunding Bonds by the Successor Agency in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

NOW, THEREFORE, the Successor Agency to the Reedley Redevelopment Agency hereby finds, determines, orders and resolves:

1. Determination of Savings. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters and the Last and Final ROPS Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the Successor Agency, which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of the Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law and the Refunding Law in the aggregate principal amount not to exceed the amount necessary to refund the Prior Bonds, pay issuance costs as permitted by applicable law, and establish required debt service reserves, provided that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters and the Last and Final ROPS Parameters. The Refunding Bonds may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a federally taxable or tax-exempt basis, as is necessary to comply with Federal tax laws, and may be sold via a public offering or private placement, as an Authorized Officer (defined below) shall determine. The approval of

the issuance of the Refunding Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each and every separate series of Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters and the Last and Final ROPS Parameters.

3. Approval of Indenture. The Successor Agency hereby approves the Indenture prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds as described in the Indenture. Each of the City Manager and Assistant City Manager of the City on behalf of the Successor Agency (each, an "Authorized Officer"), or any designee thereof, is hereby authorized and directed to execute and deliver, and the City Clerk of the City, is hereby authorized and directed to attest to, the Indenture for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Successor Agency, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Indenture.

4. Approval of Escrow Agreement. The form of the Escrow Agreement on file with the Successor Agency is hereby approved and the Authorized Officers are, each acting alone, hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Escrow Agreement.

5. Oversight Board Approval of the Issuance of the Bonds. The Successor Agency acknowledges that the Oversight Board, pursuant to Section 34177.5(f), has or will approve the Successor Agency to undertake the refunding proceedings and issue the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Indenture.

6. Determinations by the Oversight Board. The Successor Agency is approving the Refunding Bonds is reliance on the following determinations made by the Oversight Board:

(a) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5, subdivision (a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Fresno County Auditor-Controller or any other person or entity other than the Successor Agency; and

(b) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183, subdivision (a)(3), and continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), shall be treated the same as comparable costs related to the Prior Bonds. In addition, if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency's costs incurred with respect to the refunding proceedings of the Refunding Bonds shall be treated as administrative costs for purposes of the Successor Agency's Administrative Cost Allowance.

7. Filing of Debt Service Savings Analysis and Resolution. The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Fresno County Administrative Officer, the Fresno County Auditor-Controller and the California Department of Finance.

8. Issuance of Refunding Bonds in Whole or in Part. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters and the Last and Final ROPS Parameters. However, the Successor Agency will initially authorize the sale and delivery of the Refunding Bonds in whole or, if such parameters cannot be met with respect to the whole, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters and the Last and Final ROPS Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters and the Last and Final ROPS Parameters. In the event the Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters and the Last and Final ROPS Parameters.

9. Professional Services; Method of Sale. The Authorized Officers are hereby authorized to retain, in connection with the issuance of the Refunding Bonds, Del Rio Advisors LLC, as municipal advisor, Fraser & Associates, as fiscal consultant, and Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel, and to execute professional services agreement with each such firm. Brandis Tallman LLC, shall serve as private placement agent, in the event of a private placement of the Refunding Bonds, or underwriter in the event of the public offering of the Refunding Bonds.

If a private placement sale is pursued, staff will work with Brandis Tallman LLC, as placement agent, to obtain a purchase proposal, which will be submitted to an Authorized Officer for approval, with no further approval by the Successor Agency or Oversight Board or any other entity needed so long as the requirements of this Resolution are met. If a public offering, Successor Agency staff will work with Brandis Tallman LLC, as underwriter, and Jones Hall, A Professional Law Corporation, as disclosure counsel, to prepare an official statement and to cause preparation of a bond purchase agreement, both of which will be submitted to the Successor Agency for approval at a later meeting of the Successor Agency, without further approval by the Oversight Board or any other entity required.

In no event shall the terms of sale of the Refunding Bonds result in a failure to meet the Savings Parameters or the Last and Final ROPS Parameters.

10. Municipal Bond Insurance and Reserve Fund Insurance Policy. The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy for the Refunding Bonds and a debt service reserve fund insurance policy for the Refunding Bonds from a municipal bond insurance company if it is determined, upon consultation with the Municipal Advisor, that such municipal bond insurance policy and/or debt service reserve fund insurance policy will reduce the true interest costs with respect to the Refunding Bonds.

11. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the City or the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

12. Effective Date. This Resolution shall take effect from and after the date of approval and adoption thereof.

The foregoing resolution was passed and adopted by the Successor Agency to the Reedley Redevelopment Agency at a regular meeting held on the 12th day of November, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank Piñon, Mayor

ATTEST:

Sylvia Plata, City Clerk



**Successor Agency to the Reedley Redevelopment Agency
Tax Allocation Refunding Bonds, Series 2020
(Federally Taxable)**

Plan of Refunding and Savings Analysis

November 7, 2019

Financing Team

- City Staff Paul Melikian, Asst. City Manager
- Bond/Disclosure Counsel Jones Hall
- Underwriter Brandis Tallman LLC
- Municipal Advisor Del Rio Advisors, LLC
- Trustee BNY Trust Company, N.A.
- Fiscal Consultant Fraser & Associates

Existing Indebtedness

(Proposed To Be Refunded)

- **\$8,275,000 Reedley Redevelopment Agency, 2011 Tax Allocation Bonds, Series A (Bank Qualified)**
 - Amount remaining: \$7,335,000
 - Final maturity: November 1, 2041
 - Rating: S&P A- (original rating at time of sale)
S&P A (current rating)
 - Insurer: Not Applicable
 - Reserve fund: Cash
 - Redemption: Any date on or after November 1, 2021 @ par (100%)
 - Purpose:
 - Refinanced the Agency's 1998 Tax Allocation Bonds, Series A
 - Financed additional redevelopment projects in the amount of \$5,312,712.85
 - Funded a reserve fund
 - Paid costs of issuance

Prior Issue Debt Service

Date	Principal	Rate	Interest	Annual Debt Service
11/1/2019				
11/1/2020	200,000	6.000	519,668.75	719,668.75
11/1/2021	210,000	6.250	507,668.75	717,668.75
11/1/2022	225,000	6.875	494,543.75	719,543.75
11/1/2023	240,000	6.875	479,075.00	719,075.00
11/1/2024	260,000	6.875	462,575.00	722,575.00
11/1/2025	210,000	6.875	444,700.00	654,700.00
11/1/2026	210,000	6.875	430,262.50	640,262.50
11/1/2027	225,000	7.000	415,825.00	640,825.00
11/1/2028	240,000	7.000	400,075.00	640,075.00
11/1/2029	255,000	7.000	383,275.00	638,275.00
11/1/2030	275,000	7.000	365,425.00	640,425.00
11/1/2031	295,000	7.000	346,175.00	641,175.00
11/1/2032	320,000	7.250	325,525.00	645,525.00
11/1/2033	340,000	7.250	302,325.00	642,325.00
11/1/2034	365,000	7.250	277,675.00	642,675.00
11/1/2035	395,000	7.250	251,212.50	646,212.50
11/1/2036	425,000	7.250	222,575.00	647,575.00
11/1/2037	455,000	7.250	191,762.50	646,762.50
11/1/2038	490,000	7.250	158,775.00	648,775.00
11/1/2039	525,000	7.250	123,250.00	648,250.00
11/1/2040	565,000	7.250	85,187.50	650,187.50
11/1/2041	610,000	7.250	44,225.00	654,225.00
Totals	7,335,000		7,231,781.25	14,566,781.25

Refunding Plan and Results

- **Issue \$4,795,000 Successor Agency to the Reedley Redevelopment Agency, Tax Allocation Refunding Bonds, Series 2020 (Federally Taxable)**
 - Purpose: Refund all the remaining 2011 Tax Allocation Bonds, Series A
 - Final maturity: November 1, 2036 (shortened by five years)
 - Sale type: Public offering
 - Lien status: Gross RPTTF pledge
 - Insurance / surety: Assured Guaranty / Build America Mutual
 - Prior proceeds: Per the Dissolution Act, contribute \$2,921,992 of unspent 2011 proceeds and allocable reserve fund to lower the refunding amount
 - Structure: Taxable advance refunding
- **Refunding results (interest rates as of October 21, 2019)**
 - Outstanding amount: \$7,335,000
 - Refunding amount: \$4,795,000
 - Average interest rate (new): 3.658% ⁽¹⁾
 - Average interest rate (prior): 7.190%
 - Total net savings: \$7,236,599 ⁽²⁾
 - Average annual gross savings: \$300,133/year (2021 to 2036)
 - NPV savings: \$1,753,096
 - % of refunded principal: 23.90%
 - % of refunding principal: 36.56%

Notes

(1) Interest rates subject to changing market conditions

(2) Net of estimated reserve fund earnings, reserve fund corpus used to pay final year of debt service and any other contributed funds

Estimated Sources and Uses of Funds

Sources of Funds

Par Amount of Bonds	4,795,000.00
Plus: Accrued Interest	-
Less: (OID) Plus: OIP	-
Net Proceeds at Closing	4,795,000.00
Outstanding Reserve Fund	744,203.84
Outstanding Interest Account	422.29
Outstanding Project Fund	2,921,992.00
Total Other Sources of Funds	3,666,618.13
Total Sources of Funds	8,461,618.13

Uses of Funds

Cost of Escrow Securities (SLGs)	8,153,486.00
Beginning Escrow Cash Balance	-
Reserve Fund (1)	-
Surety Premium (2)	18,738.65
Underwriter's Discount (3)	35,962.50
Costs of Issuance (4)	218,973.73
Bond Insurance Premium (5)	34,457.25
Other Use of Funds	-
Total Uses of Funds	8,461,618.13
Rounding Adjustment	-

Reserve Fund Requirement Calculation		Dollar Amount
Maximum Annual Debt Service (MADS)		706,311.95
Percentage of the Par Amount	10.00%	479,500.00
1.25 Times Average Annual Debt Service		468,466.26

Assumptions

- (1) 1.25 Times Average Annual Debt Service (Funded Via Surety)
- (2) 4.00% of the Reserve Fund Requirement (1.25 Times Average Annual Debt Service)
- (3) 0.75% (\$7.50/bond) of Par Amount of Bonds
- (4) See Attached Schedule
- (5) 0.55% (55bp) of Total Principal and Interest on Insured Bonds

Estimated Costs of Issuance

Bond Counsel	45,000.00
Disclosure Counsel	35,000.00
City Administration Fee	50,000.00
Municipal Advisor	32,500.00
Municipal Advisor Expenses	500.00
Rating Fee	17,500.00
Fiscal Consultant	17,500.00
Trustee / Escrow / Legal	8,000.00
Verification Report	2,500.00
Printing / Miscellaneous	10,000.00
Rounding Adjustment	473.73
Total	<hr/> 218,973.73

Estimated Refunding Bonds Debt Service

Date	Principal	Rate	Interest	Annual Debt Service
2/13/2020				
11/1/2020	595,000	2.250	111,311.95	706,311.95
11/1/2021	260,000	2.300	141,931.50	401,931.50
11/1/2022	270,000	2.530	135,951.50	405,951.50
11/1/2023	275,000	2.630	129,120.50	404,120.50
11/1/2024	285,000	2.800	121,888.00	406,888.00
11/1/2025	225,000	2.870	113,908.00	338,908.00
11/1/2026	220,000	3.030	107,450.50	327,450.50
11/1/2027	225,000	3.130	100,784.50	325,784.50
11/1/2028	230,000	3.230	93,742.00	323,742.00
11/1/2029	235,000	3.280	86,313.00	321,313.00
11/1/2030	245,000	3.980	78,605.00	323,605.00
11/1/2031	260,000	3.980	68,854.00	328,854.00
11/1/2032	275,000	3.980	58,506.00	333,506.00
11/1/2033	280,000	3.980	47,561.00	327,561.00
11/1/2034	290,000	3.980	36,417.00	326,417.00
11/1/2035	305,000	3.980	24,875.00	329,875.00
11/1/2036	320,000	3.980	12,736.00	332,736.00
Totals	4,795,000		1,469,955.45	6,264,955.45

Estimated Refunding Cash Flow Savings

		Prior Issue Reserve Fund		744,203.84			
		Investment Yield		2.00			
Date	Annual Debt Service	Prior Issue Annual Debt Service	Less: RF Earnings	Prior Issue Net Annual Debt Service	Net Annual (Savings) / Cost	3.78842 Present Value	
2/13/2020							
11/1/2020	706,311.95	719,668.75	(10,666.92)	709,001.83	(2,689.88)	(6,729.70)	
11/1/2021	401,931.50	717,668.75	(14,884.08)	702,784.67	(300,853.17)	(285,197.11)	
11/1/2022	405,951.50	719,543.75	(14,884.08)	704,659.67	(298,708.17)	(272,693.85)	
11/1/2023	404,120.50	719,075.00	(14,884.08)	704,190.92	(300,070.42)	(263,763.07)	
11/1/2024	406,888.00	722,575.00	(14,884.08)	707,690.92	(300,802.92)	(254,587.65)	
11/1/2025	338,908.00	654,700.00	(14,884.08)	639,815.92	(300,907.92)	(245,219.17)	
11/1/2026	327,450.50	640,262.50	(14,884.08)	625,378.42	(297,927.92)	(233,811.92)	
11/1/2027	325,784.50	640,825.00	(14,884.08)	625,940.92	(300,156.42)	(226,812.67)	
11/1/2028	323,742.00	640,075.00	(14,884.08)	625,190.92	(301,448.92)	(219,330.58)	
11/1/2029	321,313.00	638,275.00	(14,884.08)	623,390.92	(302,077.92)	(211,626.83)	
11/1/2030	323,605.00	640,425.00	(14,884.08)	625,540.92	(301,935.92)	(203,672.46)	
11/1/2031	328,854.00	641,175.00	(14,884.08)	626,290.92	(297,436.92)	(193,214.04)	
11/1/2032	333,506.00	645,525.00	(14,884.08)	630,640.92	(297,134.92)	(185,849.19)	
11/1/2033	327,561.00	642,325.00	(14,884.08)	627,440.92	(299,879.92)	(180,574.67)	
11/1/2034	326,417.00	642,675.00	(14,884.08)	627,790.92	(301,373.92)	(174,709.65)	
11/1/2035	329,875.00	646,212.50	(14,884.08)	631,328.42	(301,453.42)	(168,240.06)	
11/1/2036	332,736.00	647,575.00	(14,884.08)	632,690.92	(299,954.92)	(161,159.41)	
11/1/2037		646,762.50	(14,884.08)	631,878.42	(631,878.42)	(325,850.85)	
11/1/2038		648,775.00	(14,884.08)	633,890.92	(633,890.92)	(314,690.51)	
11/1/2039		648,250.00	(14,884.08)	633,365.92	(633,365.92)	(302,688.05)	
11/1/2040		650,187.50	(117,536.97)	532,650.53	(532,650.53)	(245,088.70)	
11/1/2041		654,225.00	(654,225.00)	-	-	-	
Totals	6,264,955.45	14,566,781.25	(1,065,226.35)	13,501,554.90	(7,236,599.45)	(4,675,510.15)	
			Plus: Prior Issue Other Source of Funds		2,922,414.29	2,922,414.29	
				Net Total	(4,314,185.16)	(1,753,095.86)	
					Savings % New	36.56%	
					Savings % Prior	23.90%	

Refunding Plan (continued)

- The Successor Agency and the Oversight Board approve resolutions directing staff to initiate the process of refunding prior bonds issued by the Reedley Redevelopment Agency
 - Determination of significant potential savings
 - Filing of Debt Service Savings Analysis
 - Fresno County Administrative Officer
 - Fresno County Auditor-Controller
 - State of California Department of Finance
 - Preparation of appropriate documentation for the issuance of refunding bonds
 - Appoint professionals to assist in carrying out the refunding
 - Authorize other actions to expedite California Department of Finance review and approval

Bond Financing Schedule (Tentative)

Date	Item
Thursday, November 7 th	Oversight Board Meeting
Tuesday, November 12 th	Successor Agency Meeting
Friday, November 15 th	Savings Analysis Sent to DOF
November / December 2019	<ul style="list-style-type: none"> • Fiscal Consultant Report Preparation • POS Preparation • Credit Package Sent to Rating Agency and Bond Insurers
Tuesday, December 10 th	Successor Agency Meeting (Approve POS)
January / February 2020	DOF Approval Print and Post Preliminary Official Statement Sell Bonds Print and Post Final Official Statement Execute Documents Close the Transaction

COUNTYWIDE OVERSIGHT BOARD FOR THE COUNTY OF FRESNO

RESOLUTION NO. 2019-22 OB

A RESOLUTION APPROVING THE ISSUANCE BY THE SUCCESSOR AGENCY TO THE REEDLEY DEVELOPMENT AGENCY OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY, MAKING CERTAIN DETERMINATIONS WITH RESPECT TO THE REFUNDING BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Reedley Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, pursuant to Section 34172, subdivision (a), of the California Health and Safety Code (unless otherwise noted, all Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Reedley Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, pursuant to Section 34179, subdivision (j), this Countywide Oversight Board for the County of Fresno (this "Oversight Board") has been established;

WHEREAS, the Successor Agency has informed the Oversight Board that, prior to dissolution of the Former Agency, in order to finance and refinance redevelopment activities within or of benefit to the Reedley Redevelopment Project, the Former Agency issued its (i) \$8,275,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Tax Allocation Bonds, Series A (the "2011A Bonds" or the "Prior Bonds"), and its (ii) \$550,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Taxable Tax Allocation Bonds, Series B (the "2011B Bonds");

WHEREAS, the Successor Agency has informed the Oversight Board that the 2011B Bonds have all matured, leaving only the 2011A Bonds remaining outstanding;

WHEREAS, pursuant to Section 34191.6, subdivision (b), the Successor Agency submitted a Last and Final Recognized Obligation Payment Schedule ("Last and Final ROPS") to the Oversight Board and the Department of Finance, which Last and Final ROPS was approved by the Department of Finance by letter dated October 6, 2017;

WHEREAS, Section 34191.6, subdivision (e), authorizes the Successor Agency, because it has a Last and Final ROPS, to amend or modify existing contracts, agreements, or other arrangements identified on the Last and Final ROPS, provided the outstanding payments owing from the Successor Agency are not accelerated or increased in any way and any amendment to extend terms shall not include an extension beyond the last scheduled

payment for the enforceable obligations listed and approved on the Last and Final ROPS (the "Last and Final ROPS Parameters");

WHEREAS, Section 34177.5 provides that a successor agency may issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5, subdivision (a)(1), which are that (A) the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds shall not exceed the total remaining interest cost to maturity on the bonds to be refunded plus the remaining principal of the bonds to be refunded; and (B) the principal amount of the refunding bonds shall not exceed the amount required to defease the refunded bonds, to establish customary debt service reserves, and to pay related costs of issuance (the "Savings Parameters");

WHEREAS, the Successor Agency has informed the Oversight Board that, to determine the Successor Agency's compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of refunding bonds issued to refund the Prior Bonds (the "Refunding Bonds"), the Successor Agency has caused its municipal advisor to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to refund the Prior Bonds (the "Debt Service Savings Analysis");

WHEREAS, the Successor Agency has informed the Oversight Board that the aggregate principal amount of the Refunding Bonds will not to exceed the amount necessary to refund the Prior Bonds, pay issuance costs as permitted by applicable law, and establish required debt service reserves, and that the principal and interest payable with respect to the Refunding Bonds complies in all respects with the requirements of the Savings Parameters and the Last and Final ROPS Parameters;

WHEREAS, the Successor Agency has informed the Oversight Board that the Refunding Bonds that may be issued as a single issue, or from time to time, in separate series, each of which may be issued on a federally taxable or tax-exempt basis, as the Successor Agency shall determine is necessary to comply with Federal tax laws, and may be sold via a public offering or private placement, as the Successor Agency may determine;

WHEREAS, the Successor Agency has requested that the Oversight Board's approval of the issuance of the Refunding Bonds pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters and the Last and Final ROPS Parameters;

WHEREAS, the Successor Agency has informed the Oversight Board that the Successor Agency, by its resolution scheduled to be adopted on November 12, 2019 (the "Successor Agency Resolution"), anticipates approving the issuance of the Refunding Bonds pursuant to Section 34177.5, subdivision (a)(1);

WHEREAS, the Successor Agency has informed the Oversight Board that, in the Successor Agency Resolution, the Successor Agency anticipates authorizing the execution and delivery of an Indenture of Trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, providing for the issuance of the

Refunding Bonds (the "Indenture"), and an Escrow Agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as prior trustee and escrow agent for the Prior Bonds (the "Escrow Agreement");

WHEREAS, Sections 34177.5, subdivision (f), and 34180, subdivision (b), require Oversight Board approval of the issuance of the Refunding Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Countywide Oversight Board for the County of Fresno as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. Direction and Approval of Issuance by the Successor Agency of the Refunding Bonds. As required by Sections 34177.5, subdivision (f), and 34180, subdivision (b), and solely to satisfy the requirements of those sections, the Oversight Board hereby approves the proposed issuance by the Successor Agency of the Refunding Bonds. The Oversight Board's approval of the issuance by the Successor Agency of the Refunding Bonds pursuant to this Resolution shall constitute the approval of each and every separate series of Refunding Bonds, and the sale of the Refunding Bonds in whole or in part, provided that in each such instance the Refunding Bonds so sold and delivered are in compliance with the Savings Parameters and the Last and Final ROPS Parameters.

3. Not a Liability of the Oversight Board. The Oversight Board shall have no responsibility or liability whatsoever with respect to the Refunding Bonds. The adoption of this Resolution shall not obligate the Oversight Board or its staff to make any investigations, representations, or disclosures in connection with the Refunding Bonds.

4. Determinations by the Oversight Board. The Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of all or a portion of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5, subdivision (a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without requiring further approval of the Oversight Board; and

(b) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183, subdivision (a)(3), and continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), shall be treated the same as comparable costs related to the Prior Bonds. In addition, if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency's costs incurred with respect to the refunding proceedings of the Refunding Bonds shall be treated as administrative costs for purposes of the Successor Agency's Administrative Cost Allowance.

5. Effective Date. Pursuant to Section 34177, subdivision (f), and Section 34179, subdivision (h), this Resolution shall be effective five (5) business days after proper

notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

6. Transmittal. Staff to the Oversight Board are hereby directed to transmit this Resolution to the California Department of Finance.

The foregoing resolution was passed and adopted this 7th day of November, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Jeffrey Becker, Chair

ATTEST:

By: _____
Mario Cabrera, Clerk of the Oversight Board

INDENTURE OF TRUST

Dated as of _____ 1, 2020

by and between the

SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Relating to

\$ _____
**Successor Agency to the Reedley Redevelopment Agency
2020 Taxable Tax Allocation Refunding Bonds**

TABLE OF CONTENTS

Page

ARTICLE I:
DETERMINATIONS; DEFINITIONS:

Section 1.01. Findings and Determinations.....	3
Section 1.02. Definitions.....	3

ARTICLE II:
AUTHORIZATION AND TERMS:

Section 2.01. Authorization of 2020 Bonds.....	14
Section 2.02. Terms of 2020 Bonds.....	14
Section 2.03. Redemption of 2020 Bonds.....	15
Section 2.04. Form of 2020 Bonds.....	16
Section 2.05. Execution of 2020 Bonds.....	16
Section 2.06. Transfer of Bonds.....	17
Section 2.07. Exchange of Bonds.....	17
Section 2.08. Registration of Bonds.....	17
Section 2.09. Temporary Bonds.....	17
Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen.....	18
Section 2.11. Book-Entry System.....	18

ARTICLE III
DEPOSIT AND APPLICATION OF PROCEEDS OF 2020 Bonds

Section 3.01. Issuance of 2020 Bonds.....	20
Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.....	20
Section 3.03. Bond Proceeds Fund; Costs of Issuance Account.....	20
Section 3.04. 2011 Bonds Project Fund.....	20

ARTICLE IV:
SECURITY OF BONDS; FLOW OF FUNDS:

Section 4.01. Security of Bonds; Equal Security.....	21
Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues.....	21
Section 4.03. Deposit of Amounts by Trustee.....	22
Section 4.04. 2020 Reserve Policy.....	23
Section 4.05. Provisions Relating to Reserve Policy.....	23

ARTICLE V:
OTHER COVENANTS OF THE SUCCESSOR AGENCY:

Section 5.01. Punctual Payment.....	24
Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.....	24
Section 5.03. Extension of Payment.....	24
Section 5.04. Payment of Claims.....	24
Section 5.05. Books and Accounts; Financial Statements.....	25
Section 5.06. Protection of Security and Rights of Owners.....	25
Section 5.07. Payments of Taxes and Other Charges.....	25
Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.....	25
Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues.....	27
Section 5.10. Continuing Disclosure.....	27

Section 5.11. Further Assurances.....	27
---------------------------------------	----

ARTICLE VI:
THE TRUSTEE:

Section 6.01. Duties, Immunities and Liabilities of Trustee.....	28
Section 6.02. Merger or Consolidation.....	29
Section 6.03. Liability of Trustee.....	29
Section 6.04. Right to Rely on Documents and Opinions.....	32
Section 6.05. Preservation and Inspection of Documents.....	32
Section 6.06. Compensation and Indemnification.....	32
Section 6.07. Deposit and Investment of Moneys in Funds.....	33
Section 6.08. Accounting Records and Financial Statements.....	34
Section 6.09. Appointment of Co-Trustee or Agent.....	34
Section 6.10. Other Transactions with Successor Agency.....	34

ARTICLE VII:
MODIFICATION OR AMENDMENT OF THIS INDENTURE:

Section 7.01. Amendment With And Without Consent of Owners.....	35
Section 7.02. Effect of Supplemental Indenture.....	35
Section 7.03. Endorsement or Replacement of Bonds After Amendment.....	36
Section 7.04. Amendment by Mutual Consent.....	36
Section 7.05. Trustee's Reliance.....	36

ARTICLE VIII:
EVENTS OF DEFAULT AND REMEDIES OF OWNERS:

Section 8.01. Events of Default and Acceleration of Maturities.....	37
Section 8.02. Application of Funds Upon Acceleration.....	38
Section 8.03. Power of Trustee to Control Proceedings.....	38
Section 8.04. Limitation on Owner's Right to Sue.....	39
Section 8.05. Non-Waiver.....	39
Section 8.06. Actions by Trustee as Attorney-in-Fact.....	40
Section 8.07. Remedies Not Exclusive.....	40

ARTICLE IX:
MISCELLANEOUS:

Section 9.01. Benefits Limited to Parties.....	41
Section 9.02. Successor is Deemed Included in All References to Predecessor.....	41
Section 9.03. Defeasance of Bonds.....	41
Section 9.04. Execution of Documents and Proof of Ownership by Owners.....	42
Section 9.05. Disqualified Bonds.....	42
Section 9.06. Waiver of Personal Liability.....	42
Section 9.07. Destruction of Cancelled Bonds.....	42
Section 9.08. Notices.....	43
Section 9.09. Partial Invalidity.....	43
Section 9.10. Unclaimed Moneys.....	43
Section 9.11. Execution in Counterparts.....	44
Section 9.12. Governing Law.....	44

EXHIBIT A	FORM OF 2020 Bond
EXHIBIT B	DEBT SERVICE PAYMENT SCHEDULE

[EXHIBIT C PROVISIONS RELATING TO THE 2020 RESERVE POLICY]

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into and dated as of _____ 1, 2020, by and between the SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY, a public entity duly organized and existing under the laws of the State of California (the "Successor Agency"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the Reedley Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, a redevelopment plan for the redevelopment project area designated the "Reedley Redevelopment Project" in the City of Reedley, California (the "Redevelopment Project") were adopted in compliance with all requirements of the Law;

WHEREAS, pursuant to Section 34172(a) of the Law, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Law, and the Successor Agency has become the successor entity to the Former Agency;

WHEREAS, prior to dissolution of the Former Agency, in order to finance and refinance redevelopment activities within or of benefit to the Redevelopment Project the Former Agency issued its (i) \$8,275,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Tax Allocation Bonds, Series A (the "2011A Bonds" or the "Prior Bonds"), and its (ii) \$550,000 Reedley Redevelopment Agency Reedley Redevelopment Project 2011 Taxable Tax Allocation Bonds, Series B (the "2011B Bonds");

WHEREAS, the 2011B Bonds have all matured, leaving only the 2011A Bonds remaining outstanding;

WHEREAS, Section 34177.5 of the Law authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5;

WHEREAS, Assembly Bill X1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), resulted in the dissolution of the Former Agency as of February 1, 2012, and the vesting in the Successor Agency of all of the authority, rights, powers, duties and obligations of the Former Agency;

WHEREAS, AB 1484, among other things, authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth said Section 34177.5(a);

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law and the Refunding Law of its 2020 Taxable Tax Allocation Refunding Bonds (the "2020 Bonds");

WHEREAS, in order to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Successor Agency and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the 2020 Bonds when executed by the Successor Agency, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Successor Agency, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the 2020 Bonds issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2020 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2020 Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Successor Agency and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the 2020 Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Successor Agency has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Successor Agency is now duly empowered, pursuant to each and every requirement of law, to issue the 2020 Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and Parity Debt in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled and (b) the principal amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

"Bond" or "Bonds" means the 2020 Bonds and, if the context requires, any additional Parity Debt issued pursuant to a Supplemental Indenture pursuant to Section 5.02 hereof.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Successor Agency, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Proceeds Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Bond Year" means, any twelve-month period beginning on September 2 in any year and ending on the next succeeding November 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on November 1, 2020.

"Business Day" means a day of the year on which banks in San Francisco, California, or the city where the Principal Corporate Trust Office is located are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"City" means the City of Reedley, a municipal corporation and general law city duly organized and existing under the laws of the State of California.

"Closing Date" means, with respect to the 2020 Bonds, the date on which the 2020 Bonds are delivered by the Trustee to the original purchaser thereof, being _____, 2020.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Community Redevelopment Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to County, City and Successor Agency administrative staff costs, printing expenses, bond insurance and surety bond premiums, transferred proceeds penalties due the United States of America, underwriting fees, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Account" means the account by that name within the Bond Proceeds Fund established and held by the Trustee pursuant to Section 3.03.

"County" means the County of Fresno, a county duly organized and existing under the Constitution and laws of the State.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Defeasance Obligations" means (i) cash and (ii) Federal Securities.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"Dissolution Act" means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Escrow Agreement" means Escrow Agreement relating to the defeasance and refunding of the Prior Bonds, by and between the Successor Agency and the Escrow Agent

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement.

"Event of Default" means any of the events described in Section 8.01.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date

the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, (iv) any commingled investment fund in which the Agency and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment, or (v) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States, as certified in writing by the Agency to the Trustee.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"Former Agency" means the former Reedley Redevelopment Agency, a public body corporate and politic duly organized and existing under the Community Redevelopment Law and dissolved in accordance with the Dissolution Act.

"Indenture" means this Indenture of Trust by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom:

- (a) is in fact independent and not under domination of the Successor Agency;
- (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and
- (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom:

(a) is judged by the Successor Agency to have experience in matters relating to the issuance of tax allocation refunding bonds or otherwise with respect to the financing of redevelopment projects;

(b) is in fact independent and not under domination of the Successor Agency;

(c) does not have any substantial interest, direct or indirect, with the Successor Agency; and

(d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Information Services" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

"Interest Payment Date" means May 1 and November 1 of each year, commencing May 1, 2020, so long as any of the Bonds remain Outstanding hereunder.

"Law" means the Community Redevelopment Law, constituting Part 1 of Division 24 of the California Health and Safety Code, together with the Dissolution Act, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation with respect to a series of Bonds, the largest Annual Debt Service for such series of Bonds for the current or any future Bond Year.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

"Oversight Board" means the Oversight Board for the Successor Agency, duly constituted from time to time pursuant to Section 34179 of the California Health and Safety Code.

"Owner" or "Bondowner" means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Parity Debt" means any bonds, notes or other obligations that are payable from and secured by a lien on Tax Revenues that is on parity with the lien under this Indenture.

"Parity Debt Instrument" means any resolution, indenture of trust, loan agreement, trust agreement or other instrument authorizing the issuance of any Parity Debt, including, without limitation, a Supplemental Indenture authorized by Section 7.01(d).

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Pass-Through Agreements" means (a) that certain Memorandum of Understanding, dated as of April 9, 1991, by and among the County, the City and the Former Agency, (b) that certain Agreement, dated as of April 9, 1991, by and among the Former Agency, the County and the Fresno County Library District, (c) that certain Fiscal Agreement, dated as of August 8, 1991, by and between the Former Agency and the Kings Canyon Unified School District, (d) that certain Fiscal Agreement, dated as of September 10, 1991, by and between the Former Agency and the Fresno County Superintendent of Schools, (e) that certain Fiscal Agreement, dated as of December 10, 1991, by and between the Former Agency and the State Center Community College District, and (f) that certain Fiscal Agreement, dated as of January 14, 1992, by and between the Former Agency and the Consolidated Mosquito Abatement District.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to conclusively rely upon any investment direction from the Successor Agency as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State), but only to the extent that the same are acquired at Fair Market Value and otherwise comply with the Successor Agency's investment policies at the time such Permitted Investment is acquired, provided that the Trustee shall be entitled to rely upon any investment directions from the Successor Agency as conclusive certification to the Trustee that investments described therein are in compliance with the Successor Agency's investment policy then in effect:

- (a) Cash;
- (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America;
- (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;

- (e) Federal Housing Administration debentures;
- (f) the following listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
 - (i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
 - (ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;
 - (iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and
 - (iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);
- (g) unsecured certificates of deposit, time deposits, and bankers' acceptances or other similar bank deposit products (having maturities of not more than 365 days) of any bank (which may include the Trustee and its affiliates) the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's;
- (h) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million;
- (i) commercial paper (having original maturities of not more than 270 days) rated at the time of purchase "A-1+" by S&P and "Prime-1" by Moody's;
- (j) money market funds (including funds for which the Trustee or an affiliate receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better;
- (k) "State Obligations", which means:
 - (i) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of such state, subdivision or agency and which is rated at least "Aa" by Moody's and at least "AA" by S&P;
 - (ii) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's; and
 - (iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's;

(l) pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification Report");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent;

(m) repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "AA-" by S&P and "Aa3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "AA-" by S&P and "Aa3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "AA-" by S&P and "Aa3" by Moody's;

(n) investment agreements with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's; and

(o) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

["Policy Costs" shall have the meaning given that term in Exhibit D hereof.]

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Principal Corporate Trust Office" means the principal corporate trust office that the Trustee may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of this Indenture.

"Project Area" means the project area described in the Redevelopment Plan.

"Qualified Investments" means (A) obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code ("Non-AMT Bonds"), and (B) stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code (a "Qualified Non-AMT Mutual Fund"). A guaranteed investment contract or similar investment agreement (e.g., a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Investment.]

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) at the time of issuance of the letter of credit, insurance policy or surety bond, S&P or Moody's have assigned a long-term credit rating to such bank or insurance company or the instrument, as applicable, of at least "AA" or "Aa"; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the Reserve Requirement or, if such letter of credit, insurance policy or surety bond is being provided with respect to only a portion of the Reserve Requirement, such letter of credit, insurance policy or surety bond has a stated amount at least equal to that portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.03(a), 4.03(b) or 4.03(c) of this Indenture.

"Recognized Obligation Payment Schedule" means the schedule by that name prepared in accordance with the requirements of Section 34177(l) of the California Health and Safety Code.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date, whether or not such 15th calendar day is a Business Day.

"Redevelopment Obligation Retirement Fund" means the fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

"Redevelopment Plan" means the Redevelopment Plan for the Reedley Redevelopment Project, originally approved by Ordinance No. 759, adopted by the City Council of the City on July 16, 1991, and the amendment thereto approved by Ordinance No. 96-010 adopted by the City Council of the City on July 16, 1996, together with any other amendment thereof at any time duly authorized pursuant to the Law.

"Redevelopment Property Tax Trust Fund" means the fund established pursuant to Section 34170.5(b) of the California Health and Safety Code and administered by the Successor Agency.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

"Prior Bonds" means the 2011A Bonds.

"Refunding Law" means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, and the acts amendatory thereof and supplemented thereto.

"Report" means a document in writing signed by an Independent Redevelopment Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

(c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(c).

"Reserve Requirement" means, with respect to the 2020 Bonds and each series of Parity Debt issued in the form of Bonds for which a reserve is required, the lesser of

(i) 125% of the average Annual Debt Service with respect to that series of the Bonds,

(ii) Maximum Annual Debt Service with respect to that series of the Bonds, or

(iii) with respect to an individual series of Bonds, 10% of the original principal amount of a series of Bonds (or, if such series of Bonds has more than a de minimis amount of original issue discount or premium, 10% of the issue price of such series of Bonds);

provided, that the Reserve Requirement may be determined on a combined or individual basis for two or more series of Bonds, as determined by the Successor Agency and that in no event shall the Successor Agency, in connection with the issuance of Parity Debt in the form of Bonds pursuant to a Supplemental Indenture be obligated to deposit an amount in the Reserve Account which is in excess of the amount permitted by the applicable provisions of the Code to be so deposited from the proceeds of tax-exempt bonds without having to restrict the yield of any investment purchased with any portion of such deposit and, in the event the amount of any such deposit into the Reserve Account is so limited, the Reserve Requirement shall, in connection with the issuance of such Parity Debt issued in the form of Bonds, be increased only by the amount of

such deposit as permitted by the Code; and, provided further that the Successor Agency may meet all or a portion of the Reserve Requirement by depositing a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.03(c) hereof.

In the event a Qualified Reserve Account Credit Instrument is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Account or subaccount therein with respect to those series of Bonds), then, notwithstanding the foregoing definition, the Reserve Requirement will, with respect to those series of Bonds, be determined only at the time of the delivery of the Qualified Reserve Account Credit Instrument and will not be subject to increase (but may be subject to decrease) at a later date.

[The Successor Agency will meet the Reserve Requirement in connection with the issuance of the 2020 Bonds by depositing the 2020 Reserve Policy in the Reserve Account. To the extent the calculation of Reserve Requirement for the 2020 Bonds decreases over time, the policy limit for the 2020 Reserve Policy will automatically decrease over time so that it always equals the Reserve Requirement.]

"S&P" means S&P Global Ratings, and its successors.

"Securities Depositories" means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Written Request of the Successor Agency delivered to the Trustee.

"Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

"State" means the State of California.

"Subordinate Debt" means any loan, advances or indebtedness issued or incurred by the Successor Agency, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, including revenue bonds and other debts and obligations scheduled for payment pursuant to Section 34183(a)(2) of the Law; or (b) secured by a pledge of or lien upon the Tax Revenues which is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the Bonds, and (ii) the Successor Agency's obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service reserve account for any Parity Debt.

"Successor Agency" means the Successor Agency to the Reedley Redevelopment Agency, a public entity duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument that has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Revenues" means all taxes that were eligible for allocation to the Former Agency with respect to the Project Area and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the

Redevelopment Property Tax Trust Fund for transfer to the Successor Agency for deposit into the Redevelopment Obligation Retirement Fund, excluding all amounts payable by the Agency under the Pass-Through Agreements or required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Law, unless such payments are subordinated to payments on the 2020 Bonds or any additional Bonds or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Law and 34177.5(c) of the Dissolution Act.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"2011A Bonds" means the Former Agency's \$8,275,000 aggregate principal amount of Reedley Redevelopment Project 2011 Tax Allocation Bonds, Series A.

"2011B Bonds" means the Former Agency's \$550,000 aggregate principal amount of Reedley Redevelopment Project 2011 Taxable Tax Allocation Bonds, Series B.

"2011 Bonds" means the 2011A Bonds and 2011B Bonds.

"2011 Bonds Indenture" means the Indenture of Trust, dated as of February 1, 2011, by and between the Former Agency (as succeeded by the Successor Agency) and the 2011 Trustee, as trustee, as supplemented by the First Supplement to Indenture of Trust, dated as of February 1, 2011, by and between the Former Agency (as succeeded by the Successor Agency) and the 2011 Trustee, as trustee.

"2011 Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the 2011 Bonds Indenture.

["2020 Reserve Insurer" means _____, or any successor thereto or assignee thereof, as issuer of the 2020 Reserve Policy.]

["2020 Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy relating to the 2020 Bonds issued by the 2020 Reserve Insurer.]

["2020 Reserve Policy Costs" means _____.]

["2020 Reserve Policy Late Payment Rate" means _____.]

"2020 Bonds" means the Successor Agency to the Reedley Redevelopment Agency 2020 Taxable Tax Allocation Refunding Bonds.

"Written Request of the Successor Agency" or "Written Certificate of the Successor Agency" means a request or certificate, in writing signed by the Executive Director or Chief Financial Officer/Finance Director of the Successor Agency or his or her designee, or by any other officer of the Successor Agency duly authorized by the Governing Board of the Successor Agency for that purpose.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of 2020 Bonds. The 2020 Bonds are hereby authorized to be issued by the Successor Agency under and subject to the terms of this Indenture, the Law and the Refunding Law and shall be issued in a single series designated the "Successor Agency to the Reedley Redevelopment Agency 2020 Taxable Tax Allocation Refunding Bonds" in the initial aggregate principal amount of _____ Dollars (\$_____).

This Indenture constitutes a continuing agreement with the Owners of all of the Bonds, including the 2020 Bonds, issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds, including the 2020 Bonds, which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02. Terms of 2020 Bonds. The 2020 Bonds shall be dated as of the Closing Date, and shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The 2020 Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rate per annum as follows:

Maturity (November 1)	Principal Amount	Interest Rate	CUSIP† (_____)
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Interest on the 2020 Bonds (including the final interest payment upon maturity or earlier redemption) shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date, to such Owner at the address of such Owner as it appears on the Registration Books as of such Record Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of 2020 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of and redemption premium (if any) on any 2020 Bond shall be paid upon presentation and surrender thereof, at maturity, at the Principal Corporate Trust Office of the Trustee. Both the

principal of and interest and premium (if any) on the 2020 Bonds shall be payable in lawful money of the United States of America.

Each 2020 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) a 2020 Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any 2020 Bond, interest thereon is in default, such 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Redemption of 2020 Bonds.

(a) Optional Redemption. The 2020 Bonds maturing on or prior to November 1, 20__, are not subject to optional redemption prior to their stated maturities. The 2020 Bonds maturing on and after November 1, 20__ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after November 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at the principal amount of the 2020 Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least 20 but not more than 60 days prior to the redemption date, (i) to any Insurer and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Successor Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Successor Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(c) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(d) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(e) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

Section 2.04. Form of 2020 Bonds. The 2020 Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of 2020 Bonds. The 2020 Bonds shall be executed on behalf of the Successor Agency by the signature of the Executive Director or Chief Financial Officer of the Successor Agency. Such signature may be made manually or may be affixed by facsimile thereof. The 2020 Bonds shall be attested by the manual or facsimile of the Secretary of the Governing Board of the Successor Agency. If any officer whose signature appears on any 2020 Bond ceases to be such officer before delivery of the 2020 Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the 2020 Bonds to the purchaser. Any 2020 Bond may be signed and attested on behalf of the Successor Agency by such persons as at the actual date of the execution of such 2020 Bond shall be the proper officers of the Successor Agency although on the date of such 2020 Bond any such person shall not have been such officer of the Successor Agency.

Only such of the 2020 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall

be conclusive evidence that such 2020 Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary 2020 Bonds are issued pursuant to Section 2.09 hereof, the temporary 2020 Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, shall be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary 2020 Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive 2020 Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Successor Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of like series, interest rate, maturity and principal amount of authorized denomination. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Successor Agency.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Successor Agency.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the period 15 days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Successor Agency, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Successor Agency, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Successor Agency upon the same conditions and in substantially the same manner as the definitive Bonds. If the Successor Agency issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange

therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Successor Agency, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Successor Agency and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Successor Agency, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Successor Agency). The Successor Agency may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Successor Agency and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Successor Agency whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, neither the Successor Agency nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, neither the Successor Agency nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Successor Agency elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Successor Agency and the Trustee may treat and consider the person in whose name each

Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Successor Agency to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Successor Agency shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Successor Agency shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Successor Agency or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Successor Agency may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Successor Agency determines to terminate the Depository as such, then the Successor Agency shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Successor Agency and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Successor Agency fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium (if any) on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF 2020 Bonds

Section 3.01. Issuance of 2020 Bonds. Upon the execution and delivery of this Indenture, the Successor Agency shall execute and deliver 2020 Bonds to the Trustee in the aggregate principal amount of _____ Thousand Dollars (\$ _____) and the Trustee shall authenticate and deliver the 2020 Bonds upon the Written Request of the Successor Agency.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) *2020 Bond Proceeds*. On the Closing Date the proceeds of sale of the 2020 Bonds shall be paid to the Trustee in the amount of \$ _____, which is equal to (i) the purchase price of the 2020 Bonds of \$ _____ (being the aggregate principal amount thereof, less an Underwriter's discount of \$ _____), [less (ii) a portion of the premium for the 2020 Reserve Policy (\$ _____), which will be paid directly by the original purchaser of the 2020 Bonds to the 2020 Reserve Insurer]. The Trustee shall apply the proceeds described in the previous sentence as follows:

(i) The Trustee shall deposit the amount of \$ _____ in the Costs of Issuance Account of the Bond Proceeds Fund.

(ii) The Trustee shall transfer the amount of \$ _____ to the Escrow Agent, for deposit pursuant to and in the amount shown in the Escrow Agreement.

(b) *2011 Bonds Project Fund*. On the Closing Date, the [Successor Agency/Trustee, in capacity as the 2011 Trustee] shall transfer \$ _____ held in the Redevelopment Fund established under the 2011 Indenture into the 2011 Bonds Project Fund established in Section 3.04.

[(c) *2020 Reserve Policy*. On the Closing Date, the Trustee shall deposit the 2020 Reserve Policy in the Reserve Account.]

Section 3.03. Bond Proceeds Fund; Costs of Issuance Account. There is hereby established a separate fund to be known as the "Bond Proceeds Fund", which shall be held by the Trustee in trust, and within such Fund there shall be established a separate Costs of Issuance Account. The moneys in the Costs of Issuance Account shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is 3 months following the Closing Date, or upon the earlier Written Request of the Successor Agency, all amounts (if any) remaining in the Costs of Issuance Account shall be withdrawn therefrom by the Trustee and transferred to the Interest Account of the Debt Service Fund, and shall be applied to pay interest on the 2020 Bonds; and the Trustee shall close the Costs of Issuance Account.

Section 3.04. 2011 Bonds Project Fund.

(a) There is hereby established a separate and segregated fund to be known as the "Reedley Redevelopment Project Area – 2011 Bonds Project Fund" (the "2011 Bonds Project

Fund"), which the Successor Agency shall cause to be maintained and which shall be held in trust by the Trustee.

(b) On the Closing Date, the Trustee shall deposit moneys into the 2011 Bonds Project Fund as directed in Section 3.02(d).

(c) Disbursements from the 2011 Bonds Project Fund shall be made by the Trustee upon receipt of a Written Certificate of the Successor Agency which shall set forth the amount required to be disbursed and the purpose for which the disbursement is to be made.

(d) Moneys in the accounts established within the 2011 Bonds Project Fund shall, at all times be invested at a yield [not in excess of the yield on the 2020 Bonds].

ARTICLE IV

SECURITY OF BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as provided in Section 6.06, the Bonds and any Parity Debt shall be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account and the Principal Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2020 Bonds and any other Bonds secured by the Reserve Account shall be additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account. The Bonds shall be also equally secured by the pledge and lien created with respect to the Bonds by Section 34177.5(g) of the Law on the Tax Revenues deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues. The Successor Agency has heretofore established the Redevelopment Obligation Retirement Fund pursuant to Section 34170.5(a) of the Law which the Successor Agency shall continue to hold and maintain so long as any of the Bonds are Outstanding or any amounts are due and owing to the 2020 Reserve Insurer in respect of the 2020 Reserve Policy.

In accordance with Section 5.08 hereof, the Successor Agency shall deposit all Tax Revenues into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof. All Tax Revenues received by the Successor Agency in excess of amounts required herein or as additionally required pursuant to a Supplemental Indenture or Parity Debt Instrument shall be

released from the pledge and lien hereunder and shall be applied in accordance with the Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in this Indenture and in any Supplemental Indenture.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, which shall be held by the Trustee hereunder in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each Interest Payment Date, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee, for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable.

(b) Principal Account. Promptly upon receipt, and in any event no later than the 5th Business Day preceding each November 1 on which the principal of the Bonds becomes due and payable, and at maturity, the Successor Agency shall withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will be equal to the amount of principal coming due and payable on such date on the Bonds. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next November 1 on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

(c) Reserve Account. There is hereby established in the Debt Service Fund a separate account known as the "Reserve Account," solely as security for payments on the 2020 Bonds payable by the Successor Agency pursuant to this Section 4.03, which shall be held by the Trustee in trust for the benefit of the Owners of the 2020 Bonds. The Reserve Requirement for the 2020 Bonds shall be satisfied by the delivery of the 2020 Reserve Policy by the 2020 Reserve Insurer to the Trustee on the Closing Date. The Trustee shall draw on the 2020 Reserve Policy in accordance with its terms and conditions and the terms of this Indenture.

The amounts available under the 2020 Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account

and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts.

The Trustee shall comply with all documentation relating to the 2020 Reserve Policy as shall be required to maintain the 2020 Reserve Policy in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this subsection (c), including the reimbursement of all amounts due and owing to the 2020 Reserve Insurer in respect of the 2020 Reserve Policy.

The Successor Agency shall have no obligation to replace the 2020 Reserve Policy or to fund the Reserve Account with cash if, at any time that the 2020 Bonds are Outstanding, amounts are not available under the 2020 Reserve Policy or if the rating of the claims-paying ability of the 2020 Reserve Insurer is downgraded.

In connection with the future issuance of Bonds pursuant to Section 5.02, the Successor Agency shall determine whether such Bonds shall be secured by the Reserve Account.

Section 4.04. 2020 Reserve Policy. The Reserve Requirement for the 2020 Bonds will be satisfied in the form of the issuance of the 2020 Reserve Policy. The Trustee shall comply with all of the terms and provisions of the 2020 Reserve Policy for the purpose of assuring that funds are available thereunder when required for the purposes of the Reserve Account, within the limits of the coverage amount provided by the 2020 Reserve Policy. All amounts drawn by the Trustee under the 2020 Reserve Policy will be deposited into the Reserve Account and applied for the purposes thereof.

SECTION 4.05. Provisions Relating to 2020 Reserve Policy. So long as the Reserve Policy remains in effect, the Successor Agency and the Trustee shall comply with all of the terms and provisions set forth in Exhibit C relating to the Bond Insurer and the Reserve Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ARTICLE V

OTHER COVENANTS OF THE SUCCESSOR AGENCY

Section 5.01. Punctual Payment. The Successor Agency shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds together with the premium thereon, if any, in strict conformity with the terms of the Bonds and of this Indenture. The Successor Agency shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and the Bonds. Nothing herein contained shall prevent the Successor Agency from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances.

(a) No Superior Debt. The Successor Agency covenants that it will not issue any bonds, notes, or other obligations that are payable from or secured by a lien on Tax Revenues that is superior to the lien in favor of the Bonds under this Indenture.

(b) Parity Debt. The Successor Agency may issue Parity Debt solely to refund all or a portion of the Outstanding Bonds provided that with respect to any such refunding (i) debt service on such Parity Debt, as applicable, is lower than debt service on the obligations being refunded during the remaining period the obligations would otherwise be outstanding, (ii) the final maturity of any such Parity Debt does not exceed the final maturity of the obligations being refunded, (iii) the interest rate on the Parity Debt shall be fixed on the date of issuance of the Parity Debt, and (iv) principal payments shall be on November 1 and interest payments on May 1 and November 1. In connection with the future issuance of Parity Debt pursuant to this Section 5.02(b), the Successor Agency shall determine whether Bonds shall be secured by the Reserve Account, a separate reserve fund or no reserve fund at all; and whether or not Parity Debt other than Bonds shall be secured by a reserve fund.

Nothing herein shall prevent the Successor Agency from issuing Subordinate Debt. Any Subordinate Debt shall be payable on the same dates as the Bonds and shall be in all respects, including security and payments, subordinate and junior to the Bonds and the replenishment of the Reserve Account to the Reserve Requirement.

Additional provisions related to the issuance of Parity Debt are set forth in Exhibit C.

Section 5.03. Extension of Payment. The Successor Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Successor Agency, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The Successor Agency shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Successor Agency or upon the Tax Revenues or other amounts pledged to the payment of the

Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The Successor Agency shall at all times keep, or cause to be kept, proper and current books and accounts in which accurate entries are made of the financial transactions and records of the Successor Agency. Within 270 days after the close of each Fiscal Year an Independent Certified Public Accountant shall prepare an audit of the financial transactions and records of the Successor Agency for such Fiscal Year. To the extent permitted by law, such audit may be included within the annual audited financial statements of the City. The Successor Agency shall furnish a copy of such financial statements to any Owner upon reasonable request of such Owner and at the expense of such Owner. The Trustee shall have no duty to review such audits.

Section 5.06. Protection of Security and Rights of Owners. The Successor Agency will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to any series of Bonds, such series of Bonds shall be incontestable by the Successor Agency.

Section 5.07. Payments of Taxes and Other Charges. Except as otherwise provided herein, the Successor Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Successor Agency or the properties then owned by the Successor Agency in the Project Area, or upon the revenues therefrom when the same shall become due. Nothing herein contained shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of said taxes, assessments or charges. The Successor Agency will duly observe and conform with all valid requirements of any governmental authority relative to the Project Area or any part thereof.

Section 5.08. Compliance with the Law; Recognized Obligation Payment Schedules.

(a) The Successor Agency shall comply with all of the requirements of the Law.

(b) Pursuant to Section 34177 of the Law, not later than each date a Recognized Obligation Payment Schedule is due, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Law to include in the Recognized Obligation Payment Schedule for each Semiannual Period (i) debt service on the Bonds so as to enable the Fresno County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1, as applicable, amounts required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds on a timely basis, as such amounts of debt service are set forth in the Recognized Obligation Payment Schedule attached hereto as Exhibit B and hereby made a part hereof, or as such Schedule may be hereafter amended.

(c) In order to ensure that amounts are available for the Trustee to pay debt service on all Outstanding Bonds and all amounts due hereunder on a timely basis, the Successor Agency acknowledges that, based on available funds and moneys to be received from the February 1, 2019 Recognized Obligation Payment Schedule distribution dates, the Successor Agency will have sufficient funds to pay debt service on the 2020 Bonds on May 1, 2020.

Thereafter, not later than February 1, 2020 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act), for so long as any Bonds are outstanding or any amounts are due to the 2020 Reserve Insurer, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the Fresno County Auditor-Controller that shall at least include the following amounts:

(i) 100% of the amount of principal and interest on the Bonds and any Parity Debt coming due and payable on the next succeeding November 1 and on each of the two Interest Payment Dates thereafter (as illustrated below);

(ii) any amount required under this Indenture or any Parity Debt Instrument to replenish the Reserve Account established hereunder or the reserve account established under any Parity Debt Instrument, and

(iii) amounts due to the 2020 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument hereunder or under an insurance or surety bond agreement,

in each annual Recognized Obligation Payment Schedule so as to enable the Fresno County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective subsequent six-month period and to pay amounts owed to the 2020 Reserve Insurer or any other issuer of a Qualified Reserve Account Credit Instrument, as well as the other amounts set forth above.

By way of illustration, the amount requested under the foregoing clause (c)(i) the Recognized Obligation Payment Schedule that is filed by February 1, 2020 shall include 100% of the amount of principal of and interest on the Bonds and any Parity Debt coming due and payable on November 1, 2020, on May 1, 2021 and on November 1, 2021.

The foregoing actions will also include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with this Indenture.

(d) In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2020 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to November 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding May 1.

(e) In the event the Successor Agency fails to provide the Oversight Board for approval, or provide the State Department of Finance with an Oversight Board approved Recognized Obligation Payment Schedule, by the statutory deadlines relating to the 2020 Bonds for any period, the Successor Agency designates the 2020 Reserve Insurer as its attorney in fact with the power to make such a request relating to the 2020 Bonds; provided, however, that the 2020 Reserve Insurer will provide a copy of such request to the Successor Agency prior to such submission.

(f) If any amounts then due and payable to the 2020 Reserve Insurer under this Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to the Oversight Board and the State Department of Finance a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to the 2020 Reserve Insurer.

(g) The Successor Agency will not submit to the Oversight Board and the State Department of Finance a request for the final amendment permitted for its Last and Final Recognized Obligation Payment Schedule pursuant to Section 34191.6 without the prior written consent of the 2020 Reserve Insurer, unless all amounts that could become due and payable to the 2020 Reserve Insurer under this Indenture would be included as a line item on the Last and Final Recognized Obligation Payment Schedule following approval of the requested amendment.

Section 5.09. Dissolution Act Invalid; Maintenance of Tax Revenues. In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to ensure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Section 5.10. Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the 2020 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its obligations under this Section.

Section 5.11. Further Assurances. The Successor Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Successor Agency may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Successor Agency has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of at least 30 days' written notice of such removal by the Successor Agency to the Trustee, whereupon the Successor Agency shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Successor Agency and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Successor Agency shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Successor Agency for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Successor Agency and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Successor Agency or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to

any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Successor Agency shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Successor Agency shall mail a notice of the succession of such Trustee to the trusts hereunder to the Owners at their respective addresses shown on the Registration Books. If the Successor Agency fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Successor Agency.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation, national banking association or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

The Successor Agency will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Successor Agency, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or intentional misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed

to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made by a responsible employee or officer, unless the Trustee shall have been negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or intentional misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Successor Agency at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Successor Agency's certificates to establish the Successor Agency's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Tax Revenues into the Redevelopment Obligation Retirement Fund and the investment and application of moneys on deposit in the Redevelopment Obligation Retirement Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds by the Successor Agency or with respect to the observance or performance by the Successor Agency of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the Successor Agency pursuant to this Indenture or otherwise.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

Before taking any action under Article VIII or this Article at the request of the Owners the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Successor Agency shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Successor Agency whenever a person is to be added or deleted from the listing. If the Successor Agency elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Successor Agency understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that the directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Successor Agency shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Successor Agency and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Successor Agency. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Successor Agency agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Successor Agency; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially

reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Successor Agency, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Successor Agency, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Redevelopment Consultant appointed by the Successor Agency.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of the Successor Agency and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The Successor Agency shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Successor Agency and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a first lien on the Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Successor Agency further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless from and against any loss, expense and liabilities, including legal fees and expenses, which it may incur arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or intentional misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Successor Agency and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Costs of Issuance Account shall be invested by the Trustee in Permitted Investments as directed by the Successor Agency in the Written Request of the Successor Agency filed with the Trustee at least 2 Business Days in advance of the making of such investments. In the absence of any such Written Request of the Successor Agency, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Successor Agency directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Moneys in the Redevelopment Obligation Retirement Fund may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be deposited in the Interest Account. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Successor Agency or otherwise made pursuant to this Section.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the Successor Agency for earnings derived from funds that have been invested.

The Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Successor Agency in any Written Certificate or Written Request of the Successor Agency. Trustee shall be deemed to have complied with such

valuation through use of its automated pricing service as reflected on its trust accounting statements.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which accurate entries shall be made of all transactions of the Trustee relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.09. Appointment of Co-Trustee or Agent. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.09 are adopted to these ends.

In the event that the Trustee shall appoint an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them; provided, however, in no event shall the Trustee be responsible or liable for the acts or omissions of any co-trustee.

Should any instrument in writing from the Successor Agency be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Successor Agency. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 6.10. Other Transactions with Successor Agency. The Trustee, either as principal or agent, may engaged in or be interested in any financial or other transaction with the Successor Agency.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With And Without Consent of Owners. This Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption and without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Successor Agency in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to amend the Recognized Obligation Debt Service Payment Schedule set forth in Exhibit B to reflect the issuance of Parity Debt or to take into account the redemption of any Bond prior to its maturity; or

(d) to provide for the issuance of Parity Debt pursuant to a Supplemental Indenture, as such issuance is authorized by Section 5.02.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium, (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Successor Agency may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Successor Agency, as to such amendment or modification and in that case upon demand of the Successor Agency the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Successor Agency may determine that new Bonds shall be prepared at the expense of the Successor Agency and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Successor Agency, the Owners of the Bonds shall present such Bonds for exchange at the Trust Office of the Trustee, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Written Certificate of the Successor Agency and an opinion of Bond Counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal of or interest on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Bonds or any Parity Debt Instrument contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of 60 days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default, provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

If an Event of Default has occurred and is continuing, the Trustee may, or, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) with respect to Events of Default pursuant to 8.01(a) or (c), declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and (b) the Trustee shall, subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Bonds then Outstanding, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents and advisors (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

[Third, to the payment of any amounts owed to the 2020 Reserve Insurer hereunder.]

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with

respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Successor Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Successor Agency, the

Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however,* the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Successor Agency, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Successor Agency shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Successor Agency or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Successor Agency or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Defeasance of Bonds. If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable; or

(ii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or a portion of Outstanding Bonds, including all principal and interest, or;

(iii) by irrevocably depositing with the Trustee, in trust or an escrow holder, in escrow, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or a portion thereof (including all principal and interest) at or before maturity; or

(iv) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the Successor Agency under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the Successor Agency under Section 6.06 hereof, and (d) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the

Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Successor Agency for deposit in the Redevelopment Obligation Retirement Fund.

Additional provisions related to defeasance are set forth in Exhibit C.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Successor Agency or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Successor Agency unless the Successor Agency is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Successor Agency or the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Successor Agency and the City shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the Successor Agency shall be individually or personally liable for the payment of the principal or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant

Successor Agency as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Successor Agency for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 9.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

[Remainder of page intentionally left blank. Signatures on next page.]

IN WITNESS WHEREOF, the SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY, has caused this Indenture to be signed in its name by the chief financial officer of the Successor Agency and attested by the Secretary of the Successor Agency, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE REEDLEY
REDEVELOPMENT AGENCY**

By: _____
Chief Financial Officer/
Finance Director/Treasurer

ATTEST:

Secretary/City Clerk

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF FRESNO
CITY OF REEDLEY

SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY
2020 TAXABLE TAX ALLOCATION REFUNDING BOND

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
NOVEMBER 1, _____, 2020

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The SUCCESSOR AGENCY TO THE REEDLEY REDEVELOPMENT AGENCY, a public entity, duly created and existing under and by virtue of the laws of the State of California (the "Successor Agency"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before April 15, 2020, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on May 1 and November 1 in each year, commencing May 1, 2020 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the "Trustee"), or at such other place as designated by the Trustee (the "Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption hereof) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for which such Interest Payment Date occurs; provided however, that payment of

interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Successor Agency designated as "Successor Agency to the Reedley Redevelopment Agency 2020 Taxable Tax Allocation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of \$_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, redemption and other provisions) and all issued pursuant to the provisions of Section 34177.5 of the Health and Safety Code of the State of California and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and pursuant to an Indenture of Trust, dated as of _____ 1, 2020, entered into by and between the Successor Agency and the Trustee (the "Indenture"), authorizing the issuance of the Bonds.

Additional bonds or other obligations may also be issued on a parity with the Bonds, but only subject to the terms of the Indenture. Reference is hereby made to the Indenture (copies of which are on file at the office of the Successor Agency) and all indentures supplemental thereto and to the Law (as defined in the Indenture) and the Refunding Law for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Successor Agency thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

[The Bonds have been issued by the Successor Agency for the purpose of providing funds to refund its Prior Bonds (as defined in the Indenture), and to pay certain expenses of the Successor Agency in issuing the Bonds.]

There has been created under the Law the Redevelopment Obligation Retirement Fund (as defined in the Indenture) into which Tax Revenues shall be deposited and from which the Successor Agency shall transfer amounts to the Trustee for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Tax Revenues are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture and the Law, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. In addition, the Bonds shall be additionally secured at all times by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Redevelopment Obligation Retirement Fund, the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account (as such terms are defined in the Indenture). Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds maturing on or prior to November 1, 20__ are not subject to optional redemption prior to their stated maturities. The Bonds maturing on and after November 1, 20__ are subject to redemption prior to their stated maturities, at the option of the Successor Agency on any date on or after November 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of

funds, at the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the 15 days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Successor Agency and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Successor Agency and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Successor Agency and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premium (if any) at the time and place and at the rate and in the currency provided herein of any Bond without the express written consent of the registered owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Successor Agency or the Trustee for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

This Bond is not a debt of the City of Reedley, the County of Fresno, the State of California, or any of its political subdivisions, and neither said City, said County, said State, nor any of its political subdivisions is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those of the Successor Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law, the Refunding Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Successor Agency, does not exceed any limit prescribed by the Law, the Refunding Law or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Successor Agency to the Reedley Redevelopment Agency has caused this Bond to be executed in its name and on its behalf with the facsimile signature of the City Manager of the City and attested by the City Clerk of the City, as of the Dated Date set forth above.

**SUCCESSOR AGENCY TO THE
REEDLEY REDEVELOPMENT AGENCY**

By: _____
City Manager of the City of Reedley

ATTEST:

City Clerk of the City of Reedley

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee**

By: _____
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s) _____ attorney,
to transfer the same on the registration books of the Trustee with full power of substitution in the
premises.

Dated: _____

Signatures Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**EXHIBIT B
DEBT SERVICE PAYMENT SCHEDULE**

\$ _____
**Successor Agency to the Reedley Redevelopment Agency
2020 Taxable Tax Allocation Refunding Bonds
Semi-Annual Debt Service**

Date	Principal	Interest	Debt Service	Annual Debt Service
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EXHIBIT C

PROVISIONS RELATING TO THE 2020 RESERVE POLICY

The following terms and provisions are hereby incorporated into this Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

[To come, if applicable.]



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 18

DATE: November 12, 2019

TITLE: DISCUSS, CONSIDER, AND AUTHORIZE SUBMITTAL OF ARGUMENT TO FRESNO COUNTY CLERK/VOTER SERVICES FOR VOTER PAMPHLET FOR REEDLEY TRANSACTIONS AND USE TAX MEASURE

APPROVED: Nicole R. Zieba
City Manager

RECOMMENDATION

That the City Council discuss, consider and authorize the submittal of an argument in favor of Reedley Transactions and Use Tax to the Fresno County clerk/Voter Services for the Voter Pamphlet.

BACKGROUND

The Fresno County Clerk/Voter Services has provided staff with information about submitting arguments in favor of and against ballot items that will be included in the official Voter Pamphlet. While any voter is eligible to submit an argument to be published for or against a measure, only one argument in favor of, and one argument against, a measure is printed in the pamphlet. Should the City opt to submit an argument, it does receive priority for printing. If the City does not submit an argument, any voter may submit an argument, and the Fresno County Clerk/Voter Services will determine which argument is published. Arguments are limited to 300 words.

Staff is recommending that the Council discuss this item and authorize staff to prepare an argument in favor of the measure, to be signed by the Reedley City Council and submit it to Fresno County on behalf of the City Council.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENTS:

Exhibit "A"

EXHIBIT "A"

ARGUMENT IN FAVOR OF THE *KEEP REEDLEY REVENUE LOCAL SALES AND USE TAX MEASURE*

Vote YES on Measure **1** to keep local sales tax dollars in Reedley so that we can protect funding for local priorities and vital City services such as: maintaining 911 emergency response times, police protection, neighborhood patrols; repairing streets, alleys, potholes, and other infrastructure; maintain neighborhood parks, youth, after-school, and senior programs; retain and attract local businesses and address homelessness. This measure would provide approximately \$1,500,000 annually with all funds benefitting Reedley residents.

The Reedley City Council unanimously declared a Fiscal Emergency in August 2019. The City is facing increases in operating costs including contracted services, liability insurance and personnel. Over the last seven years, the City has implemented cost-saving measures, including reducing its workforce and cutting expenditures. Even with these steps and a stable economy, Reedley's General Fund faces a budget deficit that is expected to expand to almost **\$2 million** by 2024.

Most of the sales tax dollars paid in Reedley go outside Reedley – to the State and Fresno County. Those purposes are worthy, but Reedley's tax dollars should help Reedley more than they do now. Basic City-funded services will be impacted in the near future by insufficient revenue if no new, locally controlled funding source is provided. Examples include emergency response services and repairing streets, alleyways, potholes, sidewalks and storm drains. The revenue is needed to retain and preserve police officer levels to ensure that there are enough on-duty police officers to prevent crime and respond quickly to 911 calls, and to replace antiquated front line public safety equipment, such as police cars, radios, and fire trucks.

Rather than sending more sales tax dollars to be used outside the city, all Reedley residents should vote YES on Measure **1**!

Keep Reedley's funds in Reedley to keep our community the premier place that it is!

/s/ Frank Piñon, Mayor

/s/ Bob Beck

/s/ Anita Betancourt

/s/ Mary Fast

/s/ Ray Soleno